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BEFORE THE

## ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF: )  
 ) No. 06-0703  
ILLINOIS COMMERCE COMMISSION )  
 On Its Own Motion )  
 )  
Revision of 83 Ill. Adm. )  
Code 280 )

Chicago, Illinois

May 25, 2011

Met, pursuant to adjournment, at

10 o'clock a.m.

BEFORE :

MR. TERRANCE HILLIARD,  
Administrative Law Judge

APPEARANCES :

MS. MEGAN McNEILL and  
MR. MICHAEL LANNON  
160 North La Salle Street, Suite C-800  
Chicago, Illinois 60601  
appearing for staff of the  
Illinois Commerce Commission

CARPENTER, LIPPS & LELAND, by  
MR. ALBERT STURTEVANT and  
MS. ANNE M. ZEHR  
22 West Washington  
Chicago, Illinois 60602  
appearing for Illinois-American  
Water Company

1           APPEARANCES:

2           MR. GERARD T. FOX and  
3           MS. GRETA WEATHERSBY  
4           Two Prudential Plaza  
5           180 North Stetson, Suite 3500  
6           Chicago, Illinois 60601  
7           appearing for The People  
8           Gas, Light & Coke Company and  
9           North Shore Gas Company

10           DLA PIPER, LLP, U.S., by  
11           MR. CHRISTOPHER SKEY,  
12           MR. CHRISTOPHER TOWNSEND,  
13           MR. MICHAEL STRONG  
14           203 North La Salle Street, Suite 1920  
15           Chicago, Illinois  
16           appearing for The Retail Gas  
17           Suppliers

18           MR. RONALD D. JOLLY  
19           30 North La Salle Street, Suite 1400  
20           Chicago, Illinois 60602  
21           appearing for The City of Chicago

22           MR. MICHAEL PABIAN  
            10 South Dearborn Street, 49th Floor  
            Chicago, Illinois 60603  
            appearing for Commonwealth  
            Edison Company

            MS. CHRISTIE HICKS and  
            MS. JULIE SODERNA  
            309 West Washington Street, Suite 800  
            Chicago, Illinois 60606  
            appearing for Citizens Utility  
            Board

1 APPEARANCES:

2 ROONEY, RIPPPIE & RATNASWAMY, by  
3 MR. CARMEN L. FOSCO and  
4 350 West Hubbard Street, Suite 430  
5 Chicago, Illinois 60654  
6 appearing for Northern Illinois  
7 Gas Company, d/b/a Nicor Gas

8 MR. ALAN CHERRY (via telephone)  
9 71 South River Road, No. 1703  
10 Des Plaines, Illinois 60016  
11 appearing for South Austin  
12 Coalition Community Council  
13 and Community Action for  
14 Fair Utility Practice

15 MR. EDWARD FITZHENRY (via telephone)  
16 1901 Chouteau Avenue  
17 P. O. Box 66149-MC 1310  
18 St. Louis, Missouri 63166-6149  
19 appearing for Ameren Companies

20 MR. JOHN B. COFFMAN (via telephone)  
21 871 Tuxedo Boulevard  
22 St. Louis, Missouri 63119  
appearing for AARP

MS. KAREN LUSSON (via telephone)  
100 West Randolph, 11th Floor  
Chicago, Illinois 60601  
appearing for The People of the  
State of Illinois

MR. JOSEPH L. LAKSHMANAN (via telephone)  
133 South 4th Street, Suite 306  
Springfield, Illinois 62701  
appearing for Dynergy

1        APPEARANCES:

2            MR. CONRAD R. REDDICK  
3            1015 Crest Street  
4            Wheaton, Illinois 60189  
5            appearing for the  
6            City of Chicago

7            MR. ERIC BRAMLET (via telephone)  
8            316 1/2 Market, P. O. Box 278  
9            Mt. Carmel, Illinois  
10           appearing for Mt. Carmel  
11           Public Utility Company

12           MS. JENNIFER MOORE (via telephone)  
13           106 East Second Street  
14           Davenport, Iowa 52807  
15           appearing for MidAmerican  
16           Energy Company

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I N D E X

WITNESSES     DIRECT     CROSS     REDIRECT     RECROSS     EXMNR.

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2           JUDGE HILLIARD:   Okay.   I am the ALJ here.   On  
3   behalf of the Illinois Commerce Commission, I call  
4   Docket 06-0703, the Illinois Commerce Commission on  
5   its own motion regarding the revision of 83 Ill.  
6   Adm. Code Part 280.

7                               Just so everyone is aware of this, it's  
8   my understanding that this proceeding is being  
9   broadcast on the Internet, so everyone is aware of  
10  that.

11                           Can the parties, beginning with staff,  
12  identify themselves for the record, please.

13       MS. McNEILL:   Appearing on behalf of the staff of  
14  the Illinois Commerce Commission, Megan McNeill and  
15  Michael Lannon, 160 North La Salle, Suite C-800,  
16  Chicago, Illinois, 60601.

17       MR. JOLLY:   On behalf of the City of Chicago,  
18  Ronald D. Jolly, 30 North La Salle Street, Suite  
19  1400, Chicago, Illinois, 60602.

20       MS. SODERNA:   On behalf of The Citizens Utility  
21  Board, Julie Soderna, 309 West Washington, Suite  
22  800, Chicago, Illinois, 60606.

1       MR. FITZHENRY:   Edward Fitzhenry and Matthew  
2 Tomc, T-o-m-c, on behalf of Ameren Illinois  
3 Company.   Our address is 1901 Chouteau Avenue,  
4 P. O. Box 66149 - MC 1310, St. Louis, Missouri,  
5 63166-6149.

6       MR. PABIAN:   For Commonwealth Edison Company,  
7 Michael Pabian; 10 South Dearborn Street, 49th  
8 Floor, Chicago, Illinois, 60603.

9       MR. FOSCO:   For Northern Illinois Gas Company,  
10 d/b/a Nicor Gas Company, Carmen Fosco and John  
11 Rooney; Rooney, Rippie, Ratnaswamy, LLP,  
12 350 West Hubbard Street, Suite 430, Chicago,  
13 Illinois, 60654.

14       MR. TOWNSEND:   On behalf of the Retail Gas  
15 Suppliers, Christopher Townsend, Christopher Skey,  
16 and Michael R. Strong at DLA Piper, LLP (US),  
17 203 North La Salle Street, Suite 1900, Chicago,  
18 Illinois, 60601.

19       MR. LAKSHMANAN:   On behalf of Dynergy, Joseph  
20 Lakshmanan, L-a-k-s-h-m-a-n-a-n, 133 South 4th  
21 Street, Suite 306, Springfield, Illinois, 62701.

22       MR. STURTEVANT:   Appearing on behalf of

1 Illinois-American Water Company, Albert Sturtevant  
2 and Anne Zehr; Carpenter, Lipps & Leland,  
3 22 West Washington Street, Suite 1500, Chicago,  
4 Illinois, 60602. My phone number is 312-854-8032.

5 MS. LUSSON: On behalf of The People of the State  
6 of Illinois, Karen Lusson, 100 West Randolph,  
7 11th Floor, Chicago, Illinois, 60601.

8 MR. FOX: On behalf of The Peoples Gas, Light &  
9 Coke Company and North Shore Gas Company, Gerard T.  
10 Fox, 2 Prudential Plaza, 180 North Stetson,  
11 Suite 3500, Chicago, Illinois, 60601. I would also  
12 like to enter the appearance of Greta Weathersby,  
13 130 East Randolph, Chicago, Illinois, 60601.

14 MR. COFFMAN: On behalf of AARP, John B.  
15 Coffman, 871 Tuxedo Boulevard, St. Louis, Missouri,  
16 63119.

17 MR. REDDICK: Also appearing for the City of  
18 Chicago, Conrad R. Reddick, 1015 Crest Street,  
19 Wheaton, Illinois, 60189.

20 MR. BRAMLET: Appearing on behalf of Mt. Carmel  
21 Public Utility Company, my name is Eric Bramlet,  
22 P. O. Box 278, Mt. Carmel, Illinois, 62863.



1 MS. MOORE: Appearing on behalf of Mid-American  
2 Energy Company, Jennifer Moore, 106 East Second  
3 Street, Davenport, Iowa, 52807. My phone number is  
4 563-333-8006.

5 JUDGE HILLIARD: Are there any more appearances?

6 (No response.)

7 Okay. Hearing none, what's the order  
8 of the proceedings today?

9 MR. JOLLY: I believe that Ms. Alexander, on  
10 behalf of the Governmental and Consumer Intervenors,  
11 will be crossed first.

12 JUDGE HILLIARD: Okay. And, just for the record,  
13 could you define the Governmental and Consumer  
14 Intervenors?

15 MR. JOLLY: Sure. The Governmental and Consumer  
16 Intervenors consist of the City of Chicago, the  
17 Attorney General's Office, and the Citizens Utility  
18 Board.

19 JUDGE HILLIARD: Okay. Ms. Alexander and any  
20 other witnesses that are going to testify in this  
21 proceeding, please raise your hand to be sworn.

22 (Witnesses sworn.)

1                   Proceed, counsel.

2       MR. JOLLY:   Thank you.   The Governmental and  
3   Consumer Intervenors call Barbara R. Alexander to  
4   the stand.

5                                   (Whereupon, GCI Exhibit  
6                                   Nos. 1.0, 1.2, 1.3, 3.0,  
7                                   5.0 & 5.1 were  
8                                   previously marked for  
9                                   identification.)

10                   BARBARA ALEXANDER,  
11   called as a witness herein, having been first duly  
12   sworn, was examined and testified as follows:

13                                   DIRECT EXAMINATION

14                                   BY

15                                   MR. JOLLY:

16       Q.    Ms. Alexander, do you have in front of you a  
17   document that has been marked as GCI Exhibit 1.0?

18       A.    I do.

19       Q.    And is that the direct testimony that was  
20   prepared by you for this case?

21       A.    Yes.

22       Q.    And attached to GCI Exhibit 1.0 are three

1 attachments: GCI Exhibit 1.1, GCI -- which is your  
2 curriculum vitae; GCI 1.2, which is GCI's markup of  
3 staff's then draft Part 280; and GCI Exhibit 1.3,  
4 which is entitled, "Examples of State Consumer  
5 Protection Regulations." Were those three documents  
6 prepared by you or at your direction?

7 A. Yes.

8 Q. And if I were to ask you the questions that  
9 appear in GCI Exhibit 1.0 in your direct testimony,  
10 if I were to ask you those questions today, would  
11 your answers be the same?

12 A. Yes.

13 Q. Do you also have in front of you -- one  
14 more question.

15 Do you have any changes or corrections  
16 to make to GCI Exhibit 1.0?

17 A. No.

18 Q. Do you have in front of you what has been  
19 marked as GCI Exhibit 3.0, "The Rebuttal Testimony  
20 of Barbara Alexander?"

21 A. Yes.

22 Q. And is that the rebuttal testimony that was

1 prepared by you for submission in this proceeding?

2 A. Yes.

3 Q. And if I were to ask you the questions that  
4 are included in GCI Exhibit 3.0 today, would your  
5 answers be the same?

6 A. Yes.

7 Q. Do you have any changes or corrections to  
8 make to GCI Exhibit 3.0?

9 A. No.

10 Q. Finally, do you have in front of you what  
11 has been marked as "The Revised Surrebuttal  
12 Testimony of Barbara Alexander on Behalf of the GCI  
13 Parties?"

14 A. Yes.

15 Q. And that has been marked as GCI Exhibit 5.0.  
16 Was that prepared by you or at your direction?

17 A. Yes.

18 Q. And attached to GCI Exhibit 5.0 is GCI  
19 Exhibit 5.1, which is GCI's markup of staff's draft  
20 Part 280 Rule. Was that prepared by you or at your  
21 direction?

22 A. Yes.

1 Q. And if I were to ask you the questions set  
2 forth in GCI Exhibit 5.0 today, would your answers  
3 be the same?

4 A. Sure. Yes.

5 Q. Do you have any changes or corrections to  
6 make to GCI Exhibits 5.0 or 5.1?

7 A. No. The revised version reflects the  
8 changes ordered by the hearing ALJ.

9 Q. Thank you for that clarification.

10 A. Yes.

11 MR. JOLLY: With that, I would move for the  
12 exhibits -- GCI Exhibits 1.0, 1.1, 1.2, 1.3, GCI  
13 Exhibit 3.0, and GCI Exhibits 5.0, and 5.1.

14 JUDGE HILLIARD: These documents have been filed  
15 on e-docket?

16 THE WITNESS: Yes, they have.

17 JUDGE HILLIARD: Are there any objections to the  
18 admission of the exhibits?

19 (No response.)

20 Hearing no objections, Exhibits 1.0,  
21 1.1, 1.2, 1.3, 3.0, 5.0, and 5.1 will be admitted  
22 into the record.

1

2

(Whereupon, GCI Exhibit

3

Nos. 1.0, 1.1, 1.2,

4

1.3, 3.0, 5.0 & 5.1 were

5

received in evidence.)

6

MR. JOLLY: Ms. Alexander is available for

7

cross-examination.

8

JUDGE HILLIARD: Okay. Who's first?

9

MR. FITZHENRY: Good morning, Judge. I drew the

10 short straw.

11

CROSS EXAMINATION

12

BY

13

MR. FITZHENRY:

14

Q. Good morning, Ms. Alexander. I am Edward

15

Fitzhenry. We met previously.

16

Counsel, just for clarification

17

purposes, GCI Exhibit 5.0 --

18

JUDGE HILLIARD: Excuse me. I understand your

19

mic is not on or may not be on. Could you push that

20

on.

21

MR. PABIAN: It seems to be on.

22

MR. FITZHENRY: Is that better?

1                   GCI Exhibit 5.0 was revised. And when  
2 you referred to GCI Exhibit 5.0, do you mean the  
3 revised version?

4       MR. JOLLY: Yes.

5       MR. FITZHENRY: Thank you.

6       MR. FITZHENRY: Q. Ms. Alexander, referring to  
7 your GCI Exhibit 1.0, which is your revisions to  
8 Part 280, does that exhibit contain in totality all  
9 of the changes you recommended in this proceeding?

10      A. That exhibit contains all of the changes  
11 that -- at the time it was prepared that we would  
12 recommend being adopted as amendments to the  
13 existing Part 280, yes.

14      Q. And so GCI Exhibit 2.1 is no longer the rule  
15 that you are proposing to be adopted by the  
16 Commission?

17      MR. JOLLY: I think you have the wrong number. I  
18 think it's 1.2.

19      MR. FITZHENRY: 1.2? I'm sorry.

20      THE WITNESS: The most recent version is the one  
21 attached to my surrebuttal testimony, yes.

22      MR. FITZHENRY: Q. Thank you. I would like you

1 to turn to GCI Exhibit 5.1, Page 15. Do you have  
2 that before you?

3 A. I will in a minute. Yes.

4 Q. There is a modification to the rule  
5 Subsection E-1, capital C that you propose to the  
6 rule, correct?

7 A. Having to do with deposits?

8 Q. Correct.

9 A. Yes.

10 Q. And in that revision you would obligate a  
11 customer who had been a customer for 24 months to be  
12 charged a deposit if that customer had tampered with  
13 the utility's facilities and the customer enjoyed  
14 the benefit of the tampering. Do you see that  
15 language?

16 A. Yes.

17 Q. Do you regard tampering as an intentional  
18 act?

19 A. Yes.

20 Q. So now I would like to ask you what do you  
21 mean by "enjoy the benefit of tampering?"

22 A. Meaning that the customer who did the



1   tampering is the one who had the benefit of it on  
2   his or her electricity bill, referring to the  
3   situation in which perhaps someone tampered with  
4   meters in the basement of a multi-unit building and  
5   someone who did not do the tampering somehow enjoyed  
6   the benefit but was not responsible for the  
7   alteration of the system.

8       Q.    Let's focus on the customer and the  
9   customer's meter.  We are not talking about a  
10  multi-residential setting.

11               Assume there is tampering, the meter  
12  was not read and an estimated bill was provided.  
13  Would you conclude then that the customer had  
14  enjoyed the benefit of tampering?

15       A.   Yes.

16       Q.    Can you please explain why?

17       A.    The customer has altered the equipment which  
18  does not belong to him.  It belongs to the utility.  
19  It is wrong to tamper with that equipment, and  
20  whatever advantage the customer had or intended to  
21  have with regard to the impact on their bill should  
22  be no excuse to avoid the imposition of a deposit if

1 the utility documents that this has occurred.

2 Q. And that goes to the heart of my question.  
3 I am trying to understand better why you refer to  
4 the "benefit of tampering." So let me ask this  
5 question.

6 If there was tampering and there was no  
7 effective change in the usage or a dollar amount  
8 being owed, would you still require the customer,  
9 under those circumstances we are talking about, to  
10 put up a deposit?

11 A. Yes. I think the word "enjoy" here means  
12 that the customer of record did the tampering, and  
13 we describe the distinction between the customer who  
14 was not the customer of record but who somehow got  
15 an advantage from tampering by someone else.

16 Q. Okay.

17 A. I'm sorry. Yes.

18 Q. So would all parties be better served if the  
19 language was changed to say "the customer of record  
20 caused the tampering" and remove the word "benefit?"

21 A. I'm not going to sit here and try to amend  
22 the rule on the stand. The point you have made is

1 one I have agreed with which is that if the customer  
2 did the tampering and it is the customer of record,  
3 then this exemption should take place.

4 Q. Thank you.

5 A. Yes.

6 Q. Let's turn to your rebuttal testimony --

7 A. Rebuttal testimony?

8 Q. -- Page 3, and ask you to focus at Lines 72  
9 through 74.

10 A. What page, please?

11 Q. Page 3.

12 A. Page 3.

13 Q. And here we are talking about the difference  
14 between 30 days and 40 -- 30 days and 14 days for  
15 the customer to move from a location, and you say  
16 there "The utility to transfer unpaid amounts from  
17 the previous location to the new location continue  
18 any pending collection actions (sic) that may have  
19 been initiated at the customer's old location."

20 What I'm trying to understand better is  
21 what you mean by "pending collection activities  
22 (sic)."

1       A.     A notice of disconnection.

2       Q.     Anything more?

3       A.     Well, to the extent that the utility might  
4 have issued a warning letter or other notification  
5 relating to the collection of the bill that remains  
6 unpaid, but typically it's my understanding in this  
7 state utilities primarily rely on the disconnection  
8 notice for that purpose.

9       Q.     Is it possible when you use the phrase  
10 "pending collection action" that could also mean  
11 actual disconnection?

12      A.     Say it again.

13      Q.     When you talk about pending collection  
14 activities or actions, could that also include the  
15 actual disconnection of a customer?

16      A.     If the disconnection occurred and the  
17 individual then sought service at a different  
18 location, I would treat the customer as seeking  
19 reconnection of service in the new location and  
20 bring forward the old bill and take the same actions  
21 at the new location that you would take with the old  
22 one.

1 Q. So if the customer had actually been  
2 disconnected during this period of time --

3 A. Yes.

4 Q. -- from moving from one location to the  
5 other, you would not suggest that the customer would  
6 be automatically reconnected, notwithstanding the  
7 disconnection that's in place?

8 A. No, I would not recommend automatic  
9 reconnection. I would recommend the utility treat  
10 it as a reconnection of service.

11 Q. Thank you. Now let's go to the rule again,  
12 GCI Exhibit 5.1, 280.30-D.

13 A. Can you give me that page number, please.

14 Q. Yes, I will. Page 8.

15 A. 8.

16 Q. Do you have that?

17 A. I do.

18 Q. Okay. Now here, as I understand your  
19 proposal, if a customer or applicant were to call  
20 and ask for service, the utility would be able to  
21 ask for some form of identification, right?

22 A. Yes.

1 Q. And you would require the customer service  
2 representative to orally inform the applicant of all  
3 the available forms of identification?

4 A. Yes.

5 Q. So in the instance where the customer  
6 identifies himself or herself as a residential  
7 customer, nevertheless, you would require the  
8 customer service representative to identify all  
9 13 different forms of identification. Is that your  
10 position?

11 A. The normal situation is that the customer  
12 calls up and does this on the phone, and so no  
13 physical form of identification is typically  
14 required by any utility to most people to get  
15 service. They have to answer some questions, and  
16 those questions typically include the -- well, we  
17 don't need to go through what they are, but they  
18 typically are routine questions.

19 At the point at which the utility is  
20 demanding proof of identity, which is not the normal  
21 situation for almost all applicants for service, if  
22 they're asking for proof, then this list should be

1 provided to the customer and told how to submit a  
2 physical proof of identity through a variety of  
3 means.

4 Q. My question really wasn't that complicated.  
5 Again, the circumstances were where the applicant  
6 calls up a utility and says, "I want service --  
7 residential service," and you would ask that the  
8 customer service representative specifically  
9 identify these 13 forms of identification that would  
10 have to be provided by the applicant. I think your  
11 answer to that question is yes.

12 A. My answer was that it depends on what point  
13 in the application conversation that the point of  
14 proof of identity comes forward, and in most cases  
15 it doesn't come into question, but when it does, or  
16 if it does, then these forms, as listed and required  
17 by the staff in their version, would be required to  
18 be told to the customer what options you have to  
19 prove your identity.

20 Q. The fact of the matter is staff is  
21 recommending this information be provided in  
22 writing. I understand you to say that this

1 information is to be provided orally if asked by the  
2 applicant.

3 A. There isn't any way to provide this  
4 information in writing to an applicant who's on the  
5 telephone with you.

6 MR. FITZHENRY: I move to strike the answer as  
7 not being responsive. I have given the witness some  
8 leeway here this morning, and that is simply not  
9 responsive to the question.

10 MR. JOLLY: I think it was responsive. I think  
11 she is responding to a question that's perhaps not  
12 well placed.

13 JUDGE HILLIARD: Overruled.

14 MR. FITZHENRY: Q. Okay. Let's be sure we are  
15 understanding each other, Ms. Alexander.

16 The applicant calls up, says "I want  
17 utility service and I'm a resident," and in that  
18 discussion, the applicant asks or the customer  
19 service representative states you need to bring  
20 in some form of proof of identification.

21 In that instance, are you saying then  
22 that the customer service representative would have



1 to read through this list of 13 forms of proof of  
2 identification?

3 A. If the utility is telling the applicant that  
4 they must provide proof of -- physical proof of  
5 identification as a condition of granting service,  
6 which, by the way, is not typically required of any  
7 applicant for service, but if it is, then this list  
8 should be provided to the customer over the  
9 telephone.

10 Q. Even though the customer identifies himself  
11 or herself as a residential customer, you're still  
12 going to obligate the service representative to, for  
13 example, state that the Articles of Incorporation or  
14 business license are acceptable forms of  
15 identification?

16 MR. JOLLY: Objection.

17 MR. FITZHENRY: It has not been answered.

18 MR. JOLLY: She's answered. You have asked the  
19 same question repeatedly, and Ms. Alexander has  
20 explained that in a normal situation such requests  
21 for proof of identification are not necessary, and  
22 she's explained the situation in which when such

1 requests are made that the list be provided orally.

2 JUDGE HILLIARD: I think she's answered your  
3 question.

4 MR. FITZHENRY: Thank you.

5 MR. FITZHENRY: Q. Now in your testimony you  
6 discuss the propriety of the applicant or customer  
7 having to offer up his or her social security  
8 number, and you state, I think in a couple of  
9 different places, that as a matter of law that form  
10 of identification cannot be demanded of a customer,  
11 correct?

12 A. Can you point me to where we are talking  
13 about it in my testimony? Are you talking about my  
14 surrebuttal?

15 Q. Page 12.

16 MR. JOLLY: Of this document?

17 MR. FITZHENRY: Her surrebuttal that she  
18 mentioned that.

19 THE WITNESS: Yes.

20 MR. FITZHENRY: Q. Now certainly if the  
21 applicant or customer wants to use his or her social  
22 security number as a form of identification, you

1 have got no objection to that, do you?

2 A. No, I do not.

3 Q. Going back to your list of forms of  
4 identification, the 13 that we are speaking of, of  
5 the 13, would you say that the social security  
6 number is likely the most common form of  
7 identification that a residential customer might  
8 have?

9 A. Have in the sense of a piece of paper or  
10 typically used by people as a form of ID?

11 Q. That they have.

12 A. Well, it depends on the situation, doesn't  
13 it? I mean, I can't present my social security  
14 number to the airport. I have to present my photo  
15 government ID, but so it just depends on what the  
16 transaction is as to what would, quote, "be the most  
17 common."

18 Q. But it's fair to say, is it not, that most  
19 people have a social security number as compared to  
20 Articles of Incorporation or a business license?

21 A. Oh, I would certainly agree with that  
22 comparison, yes.

1 Q. Let me ask you to turn to Page 99 of your  
2 rebuttal testimony.

3 A. Rebuttal?

4 Q. Yes.

5 A. Okay.

6 Q. And, generally speaking here, you are  
7 talking about the appropriateness of deposits, and  
8 you state -- let me get the lines for you -- there  
9 at Lines 205 through 208, "Customers disconnect for  
10 nonpayment or failure to keep up the terms of the  
11 payment plan reconnection of the service should  
12 carry with it utility's option required deposit."

13 Now my question is, at the time of  
14 reconnection has the customer in -- this instance  
15 that you are talking about in your testimony, has  
16 the customer demonstrated the potential for loss for  
17 which a deposit might otherwise be required?

18 A. Yes.

19 Q. And in the instance where the customer's  
20 paying late, it means, at least at that point in  
21 time, that there's an amount due and owing the  
22 utilities?

1       A.     Yes.

2       Q.     And it's theoretically possible that dollar  
3 amount associated with the -- strike that.

4                     Let me ask you this here, and it's an  
5 open-ended question.  I'll tell you that ahead of  
6 time.

7       A.     Thank you.

8       Q.     Which is more likely, a customer that is  
9 disconnected who never made a late payment until a  
10 series of continued late payments resulting in a  
11 disconnection or a customer who has a chronic  
12 history of late payments and a series of  
13 non-payments that have led to disconnection?

14      A.     You asked a question that would enjoy the  
15 benefit of factual information to provide an answer,  
16 and we do not have that here, which is why we have  
17 consistently proposed that data be collected to help  
18 us look at those situations.

19                     But based on my experience in this sort  
20 of area for many years, there is a large group of  
21 people who pay late and a much smaller group of  
22 people who are actually disconnected for nonpayment.

1                   And for those who are late, they may go  
2 in and out of the state of being late, enter into  
3 payment plans, handle temporary inability to pay,  
4 get financial assistance, and somehow keep the wolf  
5 off the door and avoid disconnection. They may  
6 remain your customer.

7                   A smaller group are actually  
8 disconnected for non-payment, and we have their  
9 trigger that, in our opinion, and, in fact, in most  
10 states that would trigger the requirement for a  
11 deposit, and that's the distinction we are making  
12 here.

13       Q.     You testified to that as well.

14                   Is it your belief that there is no  
15 correlation whatsoever between late payments and  
16 disconnection?

17       A.     I would think that most people who are  
18 disconnected have a late payment history. It's the  
19 other side of the connection that I'm having trouble  
20 with.

21       Q.     Thank you.

22       A.     Yes.

1       Q.     Now -- and I'm sure in your business you  
2 have heard about customers that can pay that don't.

3       A.     Yes.

4       Q.     And they may not pay for any number of  
5 reasons: laziness, lack of organization, and such.

6       A.     I don't agree with those excuses, but there  
7 are people who could pay and do not.

8       Q.     And would your rule excuse those customers  
9 from providing a deposit for their late payment  
10 history?

11      A.     Yes, it would.

12      Q.     And would the rationale behind your thinking  
13 be because you really can't tell the difference  
14 between those who can't pay versus those who can  
15 pay?

16      A.     Well, the utility could devise a program to  
17 more properly categorize those two situations, based  
18 on their contacts previously with the customer, the  
19 presence or absence of financial assistance payments  
20 on the account, discussions about payment plans, and  
21 it is appropriate, in my opinion, for a utility  
22 who's able to make these distinctions to move more

1 quickly to disconnect service for someone who could  
2 pay but does not versus those who are having  
3 difficulty making payment due to circumstances  
4 beyond their control.

5 Q. But those distinctions haven't been made by  
6 the utilities, correct?

7 A. They could be and they are made in some  
8 states by some utilities.

9 Q. Those distinctions --

10 A. I'm not aware of them being made here in  
11 Illinois, however.

12 Q. Right. And so you are not offering an  
13 opinion about can pay versus late pay, because of  
14 your knowledge of these distinctions here in the  
15 State of Illinois?

16 A. We have had a rule in effect for a long time  
17 in Illinois that does not allow utilities to obtain  
18 a deposit for a new customer within the first 24  
19 months merely for late payment. We know that  
20 situation -- I mean, that is the status quo, and our  
21 view is that it should remain the status quo. And I  
22 have given you reasons why we believe that to be a



1 good rule.

2 Q. Okay. Thank you.

3 Okay. Now let's turn to Pages 9 and 10  
4 of your rebuttal testimony, please.

5 A. Yes.

6 Q. I will give you a chance to look that over.

7 A. I'm on the same page about the deposit, am I  
8 not?

9 Q. Yes. Now you understand as of today the  
10 Ameren Companies that are referred to on Page 10 of  
11 the table are now one company?

12 A. I believe that I caught that situation at  
13 some point in this process. I'm just repeating the  
14 way I got the information at the time it was  
15 provided in this chart.

16 Q. Understood. Would you agree, subject to  
17 check, that Ameren-Illinois, which is now the  
18 company that succeeded the three that are shown on  
19 your table, has approximately 1.2 million electric  
20 customers?

21 A. I would take that at your word. I do not  
22 know that.

1 Q. Thank you. Now if I total the number of  
2 customers in the table on Page 10 that would be  
3 subject to a deposit now the reasons that you  
4 express on Pages 9 and 10, that amount totals around  
5 8,800?

6 A. I would accept that.

7 Q. Now if you were to do the simple math of  
8 8,800 divided by 1.2 million, would you agree,  
9 subject to check, that that percentage changes to  
10 00.73 percent?

11 A. I will accept your mathematics.

12 Q. Now let's go look at your testimony at Page  
13 9 at Line 221. Specifically for Ameren-Illinois  
14 Company, do you view that .0073 percent change, an  
15 increase in deposits, as a significant number?

16 A. It is for the 8,000 who are impacted, yes,  
17 sir.

18 Q. But not as compared to the totality of the  
19 1.2 million?

20 A. That is correct.

21 Q. And, similarly, on Line 223 on the next  
22 page, you view that change as a dramatic change in

1 the ability of the utility to demand a deposit?

2 A. Yes, I do.

3 Q. You do that for 8,800?

4 A. I do it because of the implications for all  
5 the utilities in Illinois, not merely Ameren.

6 Q. But I'm only asking about Ameren-Illinois.

7 A. Well, I can't give you an answer that would  
8 apply only to Ameren. I have to give an answer that  
9 would apply this rule to all utilities.

10 Q. So when you wrote this testimony  
11 incorporated in this other testimony, you weren't  
12 specifically thinking about Ameren-Illinois?

13 A. Not in the sense of targeting  
14 Ameren-Illinois with our concern, no.

15 Q. And certainly not in the way that you  
16 have -- let's strike that and move on.

17 Now I would like you to turn to Pages  
18 11 and 12 of your rebuttal testimony and let's talk  
19 about Section 280.60.

20 And if I understand your testimony  
21 generally, you oppose the implication of fees on  
22 customers or using a particular payment method?

1       A.     That is a very general statement, and I  
2 believe the answer is, yes. We are talking about  
3 fees associated with payment options promoted by the  
4 utility and made available on the utility's website,  
5 yes.

6       Q.     Do you distinguish the words "promoted" or  
7 "endorsed," which is referred to at Line 251, from  
8 "offered?"

9       A.     "Offered" here means that it is on the  
10 utility's website and it is offered to customers on  
11 the telephone through an interactive voice response  
12 system on the utility's phone promoted by the  
13 customer service representative, yes.

14      Q.     But we understand that in the way that you  
15 just described I think your intent here on Pages 11  
16 and 12 that the promotion, endorsement, or offer of  
17 the payment opportunity to a fee is something that  
18 the customer could decide not to do.

19      A.     Yes, a customer can decide not to do that.

20      Q.     Now you refer on Lines 258 and 259 again to  
21 the review of utility websites as a means by which  
22 these kind of communications are offered. Do you

1 see that?

2 A. Yes.

3 Q. Did you happen to review the Ameren website  
4 when you wrote your testimony?

5 A. I'm sorry. I do not recall.

6 Q. Did you review the Ameren website when you  
7 prepared -- or prepared for hearing today?

8 A. Not recently, if I have at all, no.

9 Q. So you don't know one way -- you don't know  
10 even if Ameren offers a payment method on its  
11 website, do you?

12 A. I cannot testify here today about what  
13 Ameren offers on its website. My rebuttal was in  
14 response to testimony, including Ameren's, which  
15 opposed our view on this matter, so I was not doing  
16 a search of your particular website, no.

17 Q. Thank you.

18 A. Yes.

19 Q. Now, again, if I understand your testimony  
20 on this point, your preference would be that there  
21 ought not be a specific fee for a particular payment  
22 schedule?

1       A.     Payment schedule?

2       Q.     A payment opportunity.

3       A.     Right.

4       Q.     Okay.

5       A.     Yes.

6       Q.     And that these fees or costs should be

7 socialized?

8       A.     Yes.    Similar to all the fees and costs

9 incurred in promoting all of your payment options to

10 customers, yes.

11      Q.     Now I'm sure you read any number of tariff

12 books from different utilities in the course of your

13 career.

14      A.     Yes.

15      Q.     And hopefully you have, but did you look at

16 Ameren's tariff book?

17      A.     No, I have not.    Sorry.

18      Q.     Not like you have a real life.

19                 It's not unusual, is it, for utilities

20 to offer or to charge customers for specific

21 services or products separate and apart from the

22 services and products that would be provided in the

1 context of base rates?

2 A. If it's in the tariff, it means the  
3 Commission has approved it as a cost that they have  
4 found appropriate, reasonable, and that it is  
5 determined to be the type of costs that should be  
6 charged on an individualized occurrence as opposed  
7 to generically. Yes, I understand that.

8 Q. That happens for most utilities that they do  
9 have these specific fees or charges for specific  
10 products and services as approved by the Commission?

11 A. Well, yes. They fall into clear -- for  
12 residential customers, they fall into very obvious  
13 categories. But surcharges, if approved rates, you  
14 know, fees for reconnection of service, all of those  
15 things would be typical, yes.

16 Q. Now let's suppose hypothetically that the  
17 fee in question is cost-based as determined by the  
18 Commission. You are familiar with the general  
19 ratemaking principles that cost causers are  
20 responsible for those costs that they incur?

21 A. That's a black letter statement that is very  
22 commonly enunciated in utility regulation. It's not

1 always implemented, but it is a policy that many  
2 people try to follow, yes.

3 Q. I'm a black-letter-kind of guy. So that's  
4 where I'm coming from.

5 But my point being if, in fact, the  
6 Commission has approved a fee where a customer could  
7 pay that actually as the cost associated with that  
8 payment method, your recommendation would still be  
9 that those costs be socialized in the context of a  
10 utility's overall rates?

11 A. If what you are asking me is would it be  
12 appropriate -- or legal or appropriate for a utility  
13 to file a tariff at the Commission and say we want  
14 to charge a fee to those who pay by credit card,  
15 here is our contract we have negotiated with the  
16 entity that is processing our credit card payments  
17 and would like you to approve this and put it in our  
18 tariff, it would be obviously appropriate to seek  
19 that approval, and certainly that would be better  
20 than the current situation in which none of these  
21 fees are reviewed or approved by anybody.

22 However, it is my personal opinion and



1 it is our recommendation that, in general, payment  
2 options promoted by utilities ought not to charge a  
3 customer for the right to use one or more of these  
4 options.

5                   Now the Commission could make a  
6 decision, no, we want a tariff on that or, no, we  
7 want to include them in the rule, and either one  
8 would be legal under the current regulatory scheme,  
9 but neither of them are being followed today.

10       Q.     You do know that for a fact with Ameren?

11       A.     Oh, I will assure you that I have not  
12 checked Ameren's tariff. If you have a tariff in  
13 which such a fee has been approved, I would be happy  
14 to see it.

15       Q.     Okay. Now let's look at your surrebuttal  
16 testimony briefly and ask you to turn to Page 12,  
17 Lines 253 to 255.

18       A.     Yes.

19       Q.     You say that "Utilities clearly have a right  
20 to demand that the applicant provide their name,  
21 address, service location, and telephone number,  
22 assuming the customer has a telephone number."

1                   Upon what authority do you believe that  
2 a utility has such rights?

3       A.     Well, it would be a view that the utility  
4 has a right to know who they're dealing with to  
5 create an account, to allow them to implement the  
6 business relationship with the customer, and to  
7 provide service under a certain meter, so that the  
8 bills are correct and that they could, in fact,  
9 enforce collection through debt collection means  
10 outside the utility world and file accordingly a  
11 small claims case, or collection agencies, or  
12 whatever, so you have a right to know who you are  
13 dealing with.

14       Q.     So it's not a legal right you are speaking  
15 of? It's not a legal right that you are speaking  
16 of?

17       A.     Well, I did not make any statement after  
18 reviewing any particular law, let me put it that  
19 way.

20       Q.     It would be a good business practice for a  
21 utility to have this basic information for reasons  
22 you articulated?

1       A.     That is correct.

2       Q.     I ask you to turn to Page 14 of your  
3     surrebuttal testimony, just a clarification question  
4     on Line 290. Do you see that, Ms. Alexander?

5       A.     Yes, I do.

6       Q.     And you say staff proposes four calendar  
7     days for electric, water, sewer service, and so  
8     forth. Is it correct that in that proposed order  
9     four days is what's currently in the Part 280 Rule?

10      JUDGE HILLIARD: Where are you at?

11      MR. FITZHENRY: Line 291, surrebuttal testimony,  
12     Page 14.

13      THE WITNESS: I would have to check that, sir.  
14     Your question was is the four days already in the  
15     current rule? That does not strike me as correct,  
16     but I would obviously need to look at that.

17      MR. JOLLY: Just for clarification, I think this  
18     may have changed with the revisions. I think you  
19     may be looking at Page 13, Line 273.

20      MR. FITZHENRY: My apologies. I didn't have that  
21     revision.

22      MR. JOLLY: I can show it to you.

1       MR. FITZHENRY:  No.  I think she understands the  
2 question.

3       THE WITNESS:  I'm sorry.  Could you start over,  
4 because now I'm confused.  What question are you  
5 asking?  The four calendar days before initiating  
6 service?

7       MR. FITZHENRY:  Q.  Yes.

8       A.  I'm reacting to staff's proposed revisions  
9 to Part 280.

10      Q.  And I'm asking you if you know whether or  
11 not that is the current four-day period for service  
12 activation for electric utilities.

13      A.  I would have to check that, sir.  Sorry.

14      Q.  You don't need to do that.  Thank you.

15      A.  Okay.

16      Q.  Now later on that page -- and I apologize.  
17 I probably don't have the right line numbers, but if  
18 you would look for the phrase "temporary anticipated  
19 overload."

20      A.  What page are we on?

21      MR. PABIAN:  That's Page 13, Line 280.

22      THE WITNESS:  Yes.

1 MR. FITZHENRY: Thank you.

2 MR. FITZHENRY: Q. Now here you take exception  
3 to the staff rule that would allow for deviation  
4 from the service activation time period staff had  
5 proposed temporary unanticipated overload. Do you  
6 see that?

7 A. Yes.

8 Q. And correct me if I'm wrong, but frankly you  
9 are concerned that a utility would view that which  
10 is temporary as routine and that which is an  
11 overload or unanticipated overload is anticipated.

12 A. Are you asking me to agree with your words?

13 Q. I'm sorry. Later on in that sentence you  
14 say, "This could be interpreted to allow a utility  
15 that has routine and unanticipated additional  
16 reconnection activity to devoid (sic)."

17 A. Right. And I gave an example of that on the  
18 next page.

19 Q. Right. So your concern is that they would  
20 not properly or fairly interpret temporary as it's  
21 written and, you know --

22 A. Not anticipated, yes.

1 Q. Now --

2 (Interruption.)

3 To sort of recap, we were talking about  
4 the staff language that would allow for deviation  
5 from the service activation date of the temporary  
6 unanticipated overload. And my question was your  
7 concern, as I understand it, is that a utility would  
8 misapply or misinterpret that phrase in a way that  
9 they would construe that which is routine and  
10 anticipated to be temporary and unanticipated.

11 A. The fact that the phrase is not defined or  
12 discussed is a cause of concern and the lack of any  
13 certainty about what would trigger that was  
14 heightened by the testimony by Peoples Gas which I  
15 cited later in this same paragraph.

16 So there's two issues here. One is  
17 what should the minimum time be and what should be  
18 the reason why those -- whatever they are -- might  
19 need an excuse, and I listed the ones that I thought  
20 were appropriate again on the next page.

21 Q. Right. But you are not denying that there  
22 can be times in the course of a year where, for

1 example, after a winter moratorium where there's an  
2 increased number of service activations?

3 A. I would imagine there are times in the year  
4 when it is known that there will be increased  
5 service activations, yes.

6 Q. And your proposal would be that a utility  
7 should insure that there's additional staffing in  
8 place to meet these service activation periods?

9 A. Yes. The same as a call center when you  
10 know in advance you are going to get a lot of calls  
11 every Monday morning.

12 Q. Now I guess it goes without saying that  
13 additional staff mean perhaps more dollars to insure  
14 that the service activation date periods are met.

15 A. I don't know about more dollars, because I  
16 don't know what the implications are for individual  
17 utilities that bill the work load that they have,  
18 the type of people that could be transferred from  
19 one job to another without any additional cost, but  
20 I acknowledge the notion that there are costs  
21 involved in insuring reconnection of service within  
22 a reasonable period of time, yes.

1       Q.     Thank you.  Let me ask you to refer to your  
2 testimony -- your surrebuttal testimony, and that's  
3 the page that you refer to -- I don't know that I  
4 have the accurate page, but you identify the sort of  
5 exceptions to when the service activation periods  
6 cannot -- may not be met, and you talk about an  
7 emergency, a major storm, or other event.

8                     When you talk about an emergency, did  
9 you have in mind any specific circumstances?

10      A.     Well --

11      JUDGE HILLIARD:  Are you referring to the line  
12 that begins "While GCI agreed?"

13      MR. FITZHENRY:  Yes, sir.

14      JUDGE HILLIARD:  Go ahead, Ma'am.

15      THE WITNESS:  Thank you.

16                     I use that word in the most generic  
17 sense, an emergency order, a curfew, a terrorist  
18 attack.  I mean, you know, we can all come up with  
19 horrible things that might happen that would cause a  
20 utility to obviously stop doing normal things, and  
21 that would be what I mean here.

22      Q.     And sometimes we think of those matters in



1 the context of a force majeure.

2 A. Yes, that would be another word that I have  
3 seen used in other regulations of this type.

4 Q. Thank you.

5 Okay. Now I would like you to refer  
6 back to your Exhibit 5.1.

7 A. Exhibit 5.1, yes.

8 Q. Page 14.

9 A. Yes.

10 Q. Do you have that?

11 A. Yes, I do.

12 Q. And, again, here your recommendation is that  
13 the initial deposit notice of intent of being made  
14 in writing shall be made orally and then requests  
15 also be provided in writing, correct?

16 A. Yes. The customer is told they have a right  
17 to receive the information in writing upon request.

18 Q. And, similarly, to the line of questioning  
19 from before, again, you would require the customer  
20 service representative to read through these  
21 different, you know, facts I guess as part of the  
22 oral disclosure?

1       A.     Yes.  I quoted other state rules similarly  
2     situated to do this, yes.

3       Q.     Okay.  Now I'm thinking that the typical  
4     customer, if they're being told that they need to  
5     provide a deposit, one of the things that they would  
6     like to know is, one, how much, correct?

7       A.     Obviously, yes.

8       Q.     And they would like to know why?

9       A.     Yes.

10      Q.     And they would like to know perhaps if they  
11     have any recourse?

12      A.     What do you mean by "recourse?"

13      Q.     If they didn't want to pay the deposit, what  
14     options were available to them.

15      A.     Yes.

16      Q.     Now would it be fair to say that those two  
17     or three questions are likely to be the kinds of  
18     information that the customer will want to know with  
19     this oral disclosure that you are recommending?

20      A.     Well, in my opinion, customers would also  
21     want to know how they can pay the deposit and when  
22     it's due, and those aren't listed here, too.

1       Q.     Right.  The interest policy -- you think  
2 many customers typically are going to want to know  
3 about the interest policy that is governed -- that  
4 governs these sort of matters?

5       A.     You are asking my opinion whether people  
6 would want to be told we will pay you interest on  
7 the deposit we hold?  I don't think most people  
8 would object to hearing that or know that, but it  
9 probably is not the first thing on their mind.

10      Q.     Right.

11      A.     Yes.

12      Q.     And, of course, if the customer service  
13 representative runs through this list, the customer  
14 has a right to have that list run by it again if  
15 they missed something?

16      A.     Missed something?

17      Q.     They would go back and say, "I didn't catch  
18 that about the refund policy.  Would you go back and  
19 explain that."  That's probably expected in the  
20 ordinary course of conversation between CSRs and  
21 customers.

22      A.     I don't know whether it would be in the

1 normal course, but if it happened, you would go back  
2 and talk about it in more detail I guess.

3 Q. Do you think that a typical customer's going  
4 to have immediate recall of all these different  
5 items that would be disclosed?

6 A. You will note here that, in fact, we suggest  
7 that a written disclosure of the deposit and these  
8 required disclosures be given five days after the  
9 customer requests them, right?

10 Q. And that's part of staff's rule that a  
11 written disclosure be provided. My question is  
12 though in the context of this oral disclosure that  
13 you are recommending, would you expect that a  
14 customer's going to have recall or immediate near  
15 recall of all three different items?

16 A. No.

17 Q. Let me ask you to turn to Page 22 of your  
18 Exhibit 5.1 and specifically the provisions  
19 requiring bill delivery.

20 A. Yes.

21 Q. And just so I'm clear, and I think you mean  
22 this, the next subsection is number three. You

1 don't mean -- that should be four? Do you see that?

2 A. I do see that. You may be correct about  
3 that, yes.

4 Q. You don't mean to delete the 03 as part of  
5 your proposal?

6 JUDGE HILLIARD: Could you specify what  
7 subsection of the rule you are discussing just so  
8 the record is clear.

9 MR. FITZHENRY: Sure. Section 280.50, billing,  
10 Subsection D-3, the old 3.

11 JUDGE HILLIARD: Okay.

12 THE WITNESS: No, there was no intent to delete  
13 the 03. It should be renumbered 4 because that has  
14 to do with delivering to customers by means of other  
15 than the U.S. Mail.

16 MR. FITZHENRY: Q. Now in your new 3, that's  
17 really why we should talk -- again, there's an  
18 obligation or entitlement to provide written  
19 confirmation from the customer, and that  
20 recommendation you are making here?

21 A. Yes.

22 Q. Now I guess in the second sentence in that

1 subsection, Ms. Alexander, you say the utility must  
2 have written confirmation, and so forth.

3                   Would an electronic confirmation also  
4 be permissible?

5       A.     I am trying to remember this issue. I don't  
6 think I included any discussion of it in my  
7 surrebuttal. I did not, no.

8       Q.     Here's why I'm asking the question. I  
9 understand --

10      A.     No, your question is a fair question. I'm  
11 just trying to think about whether we have made a  
12 statement on the record here about this from me, and  
13 I don't recall that I have, but I would say that  
14 there should be a -- typically what happens is you  
15 are flashed terms and conditions on the website and  
16 you have to affirmatively agree to those terms and  
17 conditions on the website, and there would be a  
18 record retained of the fact that you did that, and I  
19 believe that would be sufficient, yes.

20      Q.     Well, again, not to belabor the point, but  
21 it seems -- I'll ask the question. If the  
22 customer's willing to pay his or her bill

1 electronically, that electronic confirmation would  
2 seem to be acceptable by that customer?

3 A. I understand. You are signing up to pay  
4 electronically and you are usually presented with  
5 some formal words and magic potions that you have to  
6 agree to, and you specifically agree to do that, and  
7 you can print that out and keep it as a record, yes.

8 Q. Page 23 of Exhibit 5.1, Section 280.60,  
9 Subparagraph -- Subsection B-2, would you look at  
10 that.

11 A. Are we talking payment section?

12 Q. Yes, ma'am.

13 A. Right. This is back to the fees for payment  
14 options issue?

15 Q. Right.

16 A. Yes.

17 Q. Now you have added language in there that  
18 the CSR, customer service representative, should  
19 advise the customer of the available methods of  
20 payment, including the most expedient method.

21 Just so I know, what do you mean by  
22 "expedient" in the context of this language?

1       A.     In the context of expedient, the issue would  
2     be a customer facing disconnection and the most  
3     expedient method would be for a way for the customer  
4     payment can be credited or authorized as having been  
5     received to avoid the disconnection, and, in fact,  
6     that is typically when these credit card payment  
7     issues come up, yes.

8       Q.     Thank you.

9       A.     Can I add to the last answer?

10      Q.     Yes.

11      A.     I don't mean to overstep here, but frankly  
12     this whole issue happens because there are no places  
13     to walk into a utility's office and discuss the  
14     payment plan and avoid disconnection, so it's all,  
15     you know, pay, pay, and here are the ways you can do  
16     it quickly.

17                     Now a lot of utilities have payment  
18     agents and, you know, but if you are on the phone  
19     and you want to pay, your credit card's the only way  
20     to do it.

21      Q.     And you did discuss that in your testimony.

22      A.     Yes, I did.



1 Q. You are really not overstepping.

2 A. Thank you.

3 MR. JOLLY: Thank you for your blessing.

4 MR. FITZHENRY: Q. Let me ask you to turn to  
5 now Page 29 of your Exhibit 5.1 and specifically  
6 Section 280.90, estimated bills and your new  
7 provisions (b) -- I guess it's (b), but it goes on  
8 to Page 32.

9 JUDGE HILLIARD: So it's the subsection that  
10 begins with small (b) and --

11 MR. FITZHENRY: I see the (c). Should put my  
12 glasses back on.

13 THE WITNESS: (B) and (c), yes.

14 MR. FITZHENRY: Q. (B) and (c), they're new,  
15 right?

16 A. And (d), (e), and (f).

17 Q. And (d), (e), and (f.) I'm sorry.

18 In any event, none of that was part of  
19 your original Exhibit 1.2?

20 A. We had an alternative version of this that  
21 we had suggested, and this is an attempt to try to  
22 get clarity around the number of issues that got

1 raised by rebuttal, yes,

2 Q. Well, within your surrebuttal testimony you  
3 specifically identify, I think it was, Missouri's  
4 regulation and basically you are just taking that  
5 putting it into Exhibit 5.1?

6 A. Yes, with the changes to reflect other  
7 aspects of the Illinois recommendations that were  
8 already made.

9 Q. You noted those in your surrebuttal  
10 testimony?

11 A. Yes. Yes. Yes.

12 Q. Now let me ask you this here. At the end of  
13 your rule and your surrebuttal testimony generally  
14 talks about the lack of information or data  
15 collection from the utilities. Do you remember that  
16 discussion?

17 A. We have discussed that in all three versions  
18 of my testimony, yes.

19 Q. But it's also reflected in Exhibit 5.1 at --

20 A. The specific proposals for data collection  
21 are the same as we have recommended since the early  
22 days of this proceeding, yes.

1 Q. And I guess you are generally familiar with  
2 staffs in other states and how they operate?

3 A. Not all of them, but in some, yes.

4 Q. It's not untypical or atypical for a staff  
5 to --

6 JUDGE HILLIARD: Staff of what? Staff of a  
7 public utility?

8 MR. FITZHENRY: Yes.

9 JUDGE HILLIARD: Okay.

10 THE WITNESS: The staff of the Regulatory  
11 Commission?

12 MR. FITZHENRY: Q. Is that what you understood  
13 when I asked you the question?

14 A. Yes, the staff of the Regulatory Commission,  
15 yes.

16 Q. But it's typical that staff will ask  
17 utilities from time to time to provide information,  
18 if you know?

19 A. Well, it would not be unheard of at all for  
20 the staff to spot the need maybe through complaints  
21 or something that would cause them to ask the  
22 utility some specific questions about an activity

1 area that they want more information on, sure.

2 Q. And in your preparation here today and in  
3 writing your testimony and exhibits, did you review  
4 the Public Utilities Act?

5 A. I have -- in the Illinois Public Utilities  
6 Act, I have looked at it from time to time. I did  
7 not look at it specifically in the last week, no.

8 Q. Do you recall staff's statutory provision  
9 where the Illinois Commerce Commission sends an  
10 annual report to the General Assembly each year?  
11 Does that ring a bell?

12 A. Yes, it has. And I have looked at some of  
13 those annual reports on the Illinois Commission  
14 website.

15 Q. Would you agree that some of the information  
16 that you are looking for in your rule is, in fact,  
17 being provided in that annual report?

18 A. If you could provide me with a copy of an  
19 annual report to allow me to give an answer that  
20 would be specific as opposed to, yeah, I think some  
21 of them are in here, but I'm sorry. I'm having  
22 trouble figuring out what you are going to.

1       MR. FITZHENRY:   May I approach the witness?

2       JUDGE HILLIARD:   Sure.

3       MR. FITZHENRY:   We will call this Ameren-Illinois

4 Exhibit -- Cross Exhibit 1.

5

6                               (Whereupon,

7                               Ameren-Illinois Cross

8                               Exhibit No. 1 was marked

9                               for identification.)

10       JUDGE HILLIARD:   You are going to need three

11 copies.

12       MR. FITZHENRY:   I have got them.

13       MR. FITZHENRY:   Q.   I will give you a chance to

14 look at that, Ms. Alexander.

15       A.   And what is in here that you think is on my

16 list, please?

17       Q.   Well, if you look -- let me just tell you a

18 little bit.   This is Chapter 4 from the annual

19 report that you said that you had looked at at some

20 point in time, and there is information in here

21 about differed payment agreements, disconnections,

22 fees of that nature.

1       A.     There are statements here about aggregate  
2     disconnection and reconnection figures, so I presume  
3     they have gotten that from all the utilities. They  
4     aren't listed here, but they're talking about the  
5     aggregate statewide information.

6                 They discuss the implementation of  
7     the -- well, I don't need to tell you what's in  
8     here. We can see what's in here.

9                 There is some information about  
10    deferred payment plans, but it is not -- it does not  
11    tell you how many people entered into payment plans.  
12    It says -- talking about people who reconnected and  
13    given a payment plan, so we don't have much  
14    information there.

15                There is information about  
16    uncollectible dollars, so some of the -- some very  
17    few things that are in our list are evidently  
18    reported by utilities to the staff or the  
19    Commission, yes.

20       Q.     Thank you. And when you wrote your  
21    testimony and drafted the rule, did you have the  
22    information that might be -- whatever it is -- the

1 information that's provided in this report in mind  
2 when you included the information you did in your  
3 rule?

4 A. Well, obviously, the rule was intended to  
5 impose a requirement on a longer list of items than  
6 was informally provided currently, and, obviously I  
7 would include reconnections and disconnections, even  
8 though they're obviously already reported to have a  
9 comprehensive list, but it certainly is insufficient  
10 based on my review of these reports currently.

11 Q. And I'm not suggesting otherwise. You  
12 understand, my question was not to suggest that the  
13 annual report did, in fact, include the kind of  
14 information that you were requiring in the rule?

15 A. Yes, I understand that. The question was  
16 did I find -- I think your question is did I find  
17 this information sufficient? The answer is no.

18 Q. Thank you.

19 That's all the questions that I have.

20 JUDGE HILLIARD: Do you have any redirect?

21 MR. JOLLY: Do you want to do redirect?

22 JUDGE HILLIARD: Wait until the end and do it all

1 at once?

2 MR. JOLLY: That's up to you.

3 JUDGE HILLIARD: I take it you don't want to  
4 introduce this exhibit?

5 MR. FITZHENRY: I do not.

6 JUDGE HILLIARD: All right. Okay. I guess we  
7 are on to the next questioner.

8 MR. PABIAN: That's me.

9 CROSS EXAMINATION

10 BY

11 MR. PABIAN:

12 Q. Good morning, Ms. Alexander. My name is  
13 Michael Pabian. We met before. I am representing  
14 Commonwealth Edison Company.

15 A. Good morning.

16 JUDGE HILLIARD: I am going to ask that in the  
17 future if anybody refer to the surrebuttal, and you  
18 are working off an old version of the surrebuttal,  
19 that Mr. Jolly interpolate what page we are talking  
20 about.

21 MR. JOLLY: And GCI apologizes for not providing  
22 a copy.



1 JUDGE HILLIARD: Thank you.

2 MR. PABIAN: Q. Let's see. Ms. Alexander, I  
3 would refer you to -- this is in your revised  
4 rebuttal, Page 3, Lines 52 through 54, and I believe  
5 you state there -- this is in response to rebuttal  
6 testimony filed by the utilities -- "In general, the  
7 utility approach to GCI's proposals and some staff  
8 proposals is a reflection of their apparent  
9 disregard for the wishes and interests of their  
10 customers, which is repeatedly subordinated to their  
11 self-interest."

12 I take it that the positions that you  
13 have reflected in your testimony here are based on  
14 your experience consonant, on the other hand, with  
15 the interests and the wishes of utility customers?

16 A. My testimony is based on my client's  
17 knowledge of the wishes and experiences of  
18 residential customers in Illinois and is a statement  
19 of a very broad nature with respect to the contrast  
20 between the consumer groups in this case and their  
21 proposals and the utility's testimony at a very high  
22 level contrasting those two proposals.

1 Q. But it's your testimony, isn't it?

2 A. It certainly is.

3 Q. Okay. So the position taken in your  
4 testimony, is it -- I take it it's your statement  
5 that those positions are consonant with the wishes  
6 and interests of utility customers?

7 A. They are consonant with the wishes and  
8 interests of my clients who are identified and who  
9 interact with the customers in Illinois, yes.

10 They are -- in my opinion, my testimony  
11 is more in line with the wishes and interests of  
12 customers as a result of clients that I'm  
13 representing here and their experiences, which have  
14 been --

15 Q. Right.

16 A. -- which obviously I have interacted with  
17 them about.

18 Q. Sure. Sure.

19 A. Right.

20 Q. But you are -- you served your clients a  
21 number of times, I mean, in various proceedings,  
22 correct, and have advised them in many cases, am I

1 correct?

2 A. I have definitely given them advice in this  
3 and other cases; that is correct.

4 Q. Okay. That's fine. Now that would be the  
5 case even if those positions conflict with those of  
6 staff in this case, correct?

7 A. Some of our positions -- my recommendations  
8 do conflict with staff, yes.

9 Q. Absolutely. So in that respect it's  
10 possible that staff's positions might not be  
11 consonant with the interests and wishes of utility  
12 customers in the State of Illinois I take it?

13 A. In some cases I do not believe they are.

14 Q. Okay. That's very good. That's all I need.  
15 Let's talk about one of those positions  
16 then, and we discussed it a little bit before in  
17 response to some questioning from Mr. Fitzhenry, and  
18 that's the assessment of fees for the use of a  
19 credit card, let's say.

20 I believe it is your testimony that  
21 you are not contesting that those are legitimate  
22 utility costs or that the utility should be able to

1 recover those costs, correct? It's just that those  
2 charges shouldn't be assessed to the individual  
3 customers using a credit card but rather -- I think  
4 the term was "socialized," if you will, or spread  
5 across all customers in general rates; is that  
6 correct?

7 A. Right. I don't mean to imply that I think  
8 the costs that currently are being charged are  
9 reasonable, but the concept, as you stated it, yes,  
10 sir.

11 Q. Okay. Then let's run with me, if you will.

12 A. Can I just add one more comment if you will  
13 allow me?

14 Q. Sure. Sure.

15 A. When you go to a merchant and use a credit  
16 card, they are not allowed to charge you a fee for  
17 giving them a card to pay for the bill you have  
18 incurred. Any fees they pay go to the credit card  
19 company for processing that payment, and whatever  
20 costs that are incurred by that business are  
21 socialized in the prices that all customers pay,  
22 including those who come in with cash, and I'm only

1 recommending the same approach in this situation.

2 Q. You are aware, are you not -- let's say, the  
3 Secretary of State's Office in Illinois, when a  
4 credit card is being used for, let's say, a license  
5 fee renewal or maybe to renew your license plates or  
6 your car registration, assesses a convenience fee  
7 associated with the use of a credit card.

8 A. I understand that some per chance do that.  
9 When I buy a ticket from Ticketmaster, there's a  
10 convenience fee for paying, but there are some  
11 loopholes in the Federal Truth and Lending Act that  
12 are being used to allow this to happen, and the  
13 loophole is that -- and this is how utilities are  
14 using this loophole -- is that they have hired  
15 someone to process this credit card payment for them  
16 and they're paying the third party to handle these  
17 credit card payments and thereby they're paying the  
18 fee to the contractor.

19 You can offer to absorb the payment by  
20 credit card from any of your customers. You would  
21 not be allowed to charge a fee for doing that. But  
22 if you hire someone to process the payment for you

1 and send you to the other person's website, which  
2 you all do, then under the Federal Truth and Lending  
3 Act you found a way to have a fee paid for someone  
4 who's using a credit card. We don't need to get  
5 into whether that's an appropriate loophole or  
6 whether the feds have approved it. I'm not talking  
7 about that.

8 Q. Right.

9 A. So I'm just trying to distinguish the fact  
10 that if I go into Sears and use a credit card --

11 Q. Sure.

12 A. -- I am not charged a higher fee for the  
13 privilege of using my credit card to pay their fee.

14 Q. Absolutely. And I don't -- that's a  
15 courtesy, I mean --

16 A. No. No. No, it's not a courtesy. It's a  
17 federal law.

18 Q. Okay. But you say there are, quote/unquote  
19 "loopholes," if you will.

20 A. My word. I apologize.

21 Q. And that apparent loophole is being used by  
22 the Secretary of State in Illinois, correct?

1       A.     I am not aware what the Secretary of State  
2     in Illinois is doing.

3       Q.     Would you agree, subject to check, that the  
4     Secretary of State in Illinois assesses a  
5     convenience fee for the use of a credit card to  
6     renew your license plate?

7       A.     I'm not -- I'm not aware of it, and I don't  
8     know how it's described, and I don't know how it's  
9     used, perhaps it's being done the same way the  
10    utilities are doing it.

11      Q.     Sure. And I take it then you wouldn't want  
12    to speculate why the Secretary of State does it that  
13    way?

14      A.     No, I would not like to do that.

15      Q.     Running with this a little bit further, I am  
16    going to pose two hypothetical customers, if you  
17    will. Customer A is on time with all her payments  
18    to the utility. She routinely writes a check every  
19    month.

20      A.     I was going to say how does she pay.

21      Q.     She writes a check every month. In fact,  
22    she actually found a really convenient way to

1 arrange for automatic debit of her utility payments  
2 from her account.

3 A. Yes.

4 Q. There's no charge associated with that, at  
5 least in the case of Com Ed, and, in fact, Com Ed we  
6 will say has allowed customers to do this.

7 Her neighbor, on the other hand,  
8 Customer B, always pays his bill chronically late  
9 though, because he has a hard time retaining enough  
10 in his account, and because he parties with his  
11 friends on Friday before the bill is due, but he  
12 finds that the late fee imposed by the utility  
13 company, 1-1/2 percent, you know, that's only a buck  
14 or so on the bill, and it certainly is cheaper than  
15 the \$3.50 credit card fee that's imposed for  
16 processing the transaction.

17 Now let's assume for a minute that the  
18 Commission were to adopt your suggestion that the  
19 utilities no longer or the vendors of the utilities  
20 no longer be able to assess the \$3.50 fee associated  
21 with processing those payments and instead that cost  
22 is absorbed by the utilities and passed on to other



1 customers.

2 A. Well, the vendor will get their fee.

3 Q. I understand that.

4 A. Okay.

5 Q. Just let me finish here.

6 A. Sure.

7 Q. Now Neighbor B has a bonanza. He no longer  
8 has to pay late fees and plus gets miles on his  
9 credit card, so he decides to pay -- and, in fact, a  
10 lot of folks find that very good, so there's a lot  
11 of 3.50s that are being assessed by the vendor to  
12 the utility company that are being spread to all the  
13 other customers, including Customer A and all the  
14 other customers in the utility's territory.

15 In that particular case, would it be  
16 fair to say -- I mean, which of those customers'  
17 wishes and interests would you say your position  
18 favors?

19 A. Well, I think my position favors all  
20 customers, because the utility has received payment,  
21 and isn't that what we are all about, getting  
22 payment promptly, getting the account from incurring

1 additional collection actions, which we all pay for,  
2 and sending a signal that there are a variety of  
3 modern methods to pay your utility bill? And we  
4 will take them all, because they all have a value in  
5 getting bills paid on time. That how I would look  
6 at this.

7                   And, by the way, the fee doesn't have  
8 to be 3.50. That's negotiated between you and the  
9 vendor. That is not a fee that is imposed from  
10 afar.

11       Q.     Whatever the fee, there will be a charge.

12       A.     And if there are a lot of them, maybe you  
13 get a discount on volume.

14       Q.     That's true. That's possible. But in any  
15 event, Customer A would end up picking up part of  
16 those costs, correct, in my example?

17       A.     Customer B will end up paying them, too.

18       Q.     Absolutely.

19       A.     Everyone will pay.

20       Q.     Absolutely. Customer A, who had no need for  
21 it, would end up paying as well.

22       A.     Yes.

1 Q. Okay. Thank you.

2 Ms. Alexander, wouldn't it be fair to  
3 say that in your experience most utility customers  
4 pay their bills on time and never see a disconnect  
5 notice?

6 A. By "most," are you referring to 51 percent  
7 or more? I would agree with that.

8 Q. Sure.

9 A. Yes.

10 Q. Would you say that even a greater percentage  
11 never see a disconnect notice?

12 A. I don't have a number in my head that would  
13 allow me to say most. But, yes, I think that's  
14 probably true.

15 Q. Is that a fair statement?

16 A. Yes.

17 Q. I mean, in fact, if that weren't the case  
18 I'm guessing it's sort of like traffic laws. If you  
19 didn't have voluntary compliance by most people,  
20 there would be chaos.

21 A. Well, let me back up and say a large number  
22 of people, 30, 40 percent, may be late in payment at

1 one point or another.

2 Q. Sure.

3 A. And that may trigger a notice depending upon  
4 how the utilities shoot out these notices when the  
5 bill is 30 days overdue, you know, some just sort  
6 of -- it's a late fee notice.

7 Q. Fair enough.

8 A. So that's why I hesitated.

9 Q. Would it be fair to say though that the vast  
10 majority of utility customers have never been  
11 disconnected and will never probably be  
12 disconnected?

13 A. That is fair, yes, sir.

14 Q. Thank you.

15 Is it fair to say then that -- I assume  
16 it's fair to say that your position in opposition to  
17 the use of remote -- this is shifting to a different  
18 topic.

19 A. I was going to say where are we.

20 Q. Shifting to a different topic.

21 A. Yes.

22 Q. Your opposition to the use of remote

1 disconnection capability without a premises visit,  
2 that is your position -- I mean, opposition to that;  
3 is that correct?

4 A. Our position is that the current rule should  
5 not be changed in this regard and we are opposed to  
6 the staff version that would change the current  
7 rule, yes.

8 Q. Okay. And that that is representative of  
9 the interests and wishes of utility customers in the  
10 State of Illinois?

11 A. Absolutely.

12 Q. Absolutely. Okay.

13 Assume with me now, please -- well,  
14 okay. Let's back up a second here. And isn't it --  
15 is it fair to say that one of your objections to the  
16 use of remote disconnection capability is that it is  
17 likely to result in the increase in the number of  
18 disconnections?

19 A. That is one of the reasons, yes.

20 Q. That is one of the reasons? Okay.

21 And just refreshing your recollection  
22 now -- and I don't think I'm going to need to

1 introduce this into evidence though -- but I'll  
2 refer you to a copy of GCI's response to AIU Data  
3 Request 138.

4 A. 138.

5 Q. I don't know if you have it there with you.

6 A. I do. If you have got it handy, I'll take  
7 yours.

8 (Document tendered.)

9 I remember this data request and  
10 response. This was done prior to the rebuttal phase  
11 of this case.

12 Q. Right. But would your answer still be the  
13 same?

14 A. I would have additional reasons for  
15 supporting my concern in the form of Mr. Walls'  
16 testimony on behalf of Com Ed.

17 Q. Okay. But I'm talking about within --  
18 within the explanation about why more -- and I'm  
19 interested just in particular about your discussion  
20 about why it is likely that more disconnections  
21 would occur.

22 A. Yes. I understand your question. And I

1 would agree with that statement, and this data  
2 response is still very valid.

3 Q. Would you do me a favor, please, and just  
4 read into the record -- I don't think the first  
5 sentence is necessary. You can read it if you want.  
6 But starting with the second sentence and reading  
7 down until "This is evident in California."

8 A. Where are you?

9 Q. "This is due in part," if you could just  
10 read that.

11 A. Read the sentence starting "This is due in  
12 part?"

13 Q. Yes.

14 A. "This is due in part to limitations of  
15 personnel resources and due in part to the  
16 forbearance of disconnection as a result of a field  
17 premises visit."

18 Q. And the next.

19 A. Keep going?

20 Q. Yes.

21 A. "When a utility is not required to conduct a  
22 field premise visit, schedule the use of utility

1 vehicles, and rely on limitations associated with  
2 manpower in the field, but can conduct  
3 disconnections remotely, the volume of  
4 disconnections are likely to increase."

5 Q. Okay. And thank you.

6 A. It should be "Is likely to increase."

7 Q. That's fine.

8 A. Thank you.

9 Q. Thank you. And to be fair to the rest, the  
10 data request goes on and cites the substantiation  
11 for that premise or for that statement, right?

12 A. Those that I have available to me at that  
13 time?

14 Q. Right. Right.

15 A. Yes.

16 Q. Now that is likely to be the case, am I  
17 correct, even though the criteria giving cause to  
18 the disconnection has not changed just -- I'm sorry.

19 A. No, you are correct.

20 Q. Okay.

21 A. This is not a statement about why people can  
22 get disconnected. This is statement about whether



1 they actually will be in terms of volume.

2 Q. Okay. Okay. That's fine. That's exactly  
3 what I was getting at. And I don't think Com Ed  
4 would in any way disagree with you.

5 Let's go to a hypothetical. Well, let  
6 me just -- a hypothetical situation here. Again,  
7 assume our Customer A, you know, she pays her bills,  
8 the same Customer A. Okay. She pays her bills  
9 every month, writes a check or uses direct debit,  
10 and her neighbor on the other side is pretty much of  
11 a deadbeat, for want of a better term. His  
12 philosophy is to not pay unless he absolutely has  
13 to. He's gotten a couple of disconnect notices from  
14 Com Ed, but because his past due amount is only in  
15 the hundreds of dollars, he knows he's not going to  
16 get disconnected.

17 Say, on the other hand, if there were  
18 remote disconnect capability available to the  
19 utility where the disconnect -- because the  
20 disconnection activity did have to be prioritized  
21 because of the very reasons you cited in your last  
22 answer, disconnection could now be effected when

1 amounts due or owing hundreds of dollars instead of  
2 thousands of dollars, which customers' interests  
3 would your opposition -- your position opposed to  
4 the use of remote disconnection represent the wishes  
5 and interests of? Customer A or Customer C?

6 A. Our proposal represents the interests of all  
7 customers because disconnection, as you described  
8 it, may or may not be potentially harmful to the  
9 occupants of the dwelling, but I hope we would all  
10 agree that disconnection of electric service carries  
11 with it something other than merely a signal that  
12 you haven't paid your bill. It carries with it the  
13 potential for dangerous and possibly  
14 life-threatening conditions for infants, for older  
15 people, for people who are mentally challenged, for  
16 families who light candles, and for other adverse  
17 implications from lack of utility service.

18 When the electricity goes, the heat  
19 goes, and so does the lighting and refrigeration.  
20 You can create any hypothetical you want, sir. And  
21 let me give you the one I would like to provide to  
22 the record in this proceeding.

1 Q. Well --

2 A. The elderly gentleman in Michigan who froze  
3 to death because his utility installed a device that  
4 remotely shutoff the power when he exceeded his  
5 allowed limit, because he hadn't been paying his  
6 bill. And when the fire department arrived at his  
7 home, there was money all over the table. He  
8 clearly could have paid the bill. He was  
9 disoriented, senile, and he froze to death, because  
10 he didn't have the -- no one came to his door and  
11 knocked on it before that utility service went off  
12 in the middle of winter in Michigan. Now --

13 A. So.

14 Q. Wait a minute. The service was disconnected  
15 in the middle of winter?

16 A. Yes.

17 Q. Okay. Are you aware that there are laws and  
18 Commission regulations that apply in severe weather,  
19 and not only winter disconnection, but at least in  
20 the case of electric service in the case of high  
21 temperature limitations on disconnection of  
22 services? You are aware of that?

1       A.     Oh, yes, I am aware of that. I'm just  
2 giving you an example of concerns that while carried  
3 to the extreme, in the examples I gave you, thank  
4 God that is not a typical occurrence, of course.

5       Q.     And you don't know, in fact, if somebody  
6 came and knocked on that person's door that he would  
7 have even answered it.

8       A.     Well, in this case we know that no knock was  
9 made.

10      Q.     That's true.

11      A.     So that's my point.

12      Q.     No. No. That's --

13      A.     You can't guarantee with a knock on the door  
14 that all things will be made right. I fully  
15 understand that.

16      Q.     That's true. But let me -- I mean, further  
17 along those lines, however, didn't you just say, and  
18 I unfortunately have to paraphrase it. I have to  
19 paraphrase it because I don't write so quickly.

20 In response to one of Mr. Fitzhenry's questions,  
21 didn't you say that -- I don't know if it's GCI or  
22 you yourself would encourage utilities to move more

1 quickly to disconnect service for those customers  
2 who couldn't pay but do not? I mean --

3 A. Yes. You could have a prioritization of  
4 eligibility for disconnection that would try to  
5 create criteria that would help you find those  
6 customers in your system and move more quickly than  
7 you might otherwise do.

8 Q. I mean, right now we do have certain  
9 criteria at least that's manageable to identify  
10 customers who can't afford to pay, and that's  
11 LIHEAP, isn't it?

12 A. LIHEAP covers a very small percentage of  
13 those who cannot afford to pay utility service, but  
14 it is there, yes.

15 Q. It is there?

16 A. Yes.

17 Q. That's sort of an institutionalized  
18 mechanism, isn't it?

19 A. Yes, for those few who get LIHEAP.

20 Q. You are aware, of course, that there is in  
21 Illinois -- and I think you referred to it in your  
22 testimony -- a law that permits utilities to pass

1 their uncollectible debt experience on to the rest  
2 of their customers on a routine basis?

3 A. Yes. This is unfortunately the case --

4 Q. Right. Right.

5 A. -- from our point of view, but, yes.

6 Q. In fact, it's a concern of yours, I think  
7 you indicated, and let me just -- excuse me.

8 A. Yes.

9 (A brief pause.)

10 Q. I believe, and I would refer you to -- this  
11 is in your direct testimony, which I believe is  
12 Exhibit -- I forgot now the exhibit number --  
13 Exhibit 1.0?

14 A. Yes.

15 Q. Page 13.

16 A. Yes.

17 Q. Lines 321 to 324. And I quote, "As a result  
18 of such surcharge" -- and you are talking about that  
19 particular provision in the law -- "A utility may  
20 have a lessened incentive to conduct its credit and  
21 collection activities in a prudent and least cost  
22 manner, since it can pass through uncollectible

1 expenses to customers without need to justify those  
2 costs in a base rate proceeding," correct?

3 A. Yes.

4 Q. In our example or in the fact that -- I  
5 believe you indicated if a utility has the ability  
6 to use remote disconnect capability but instead  
7 cannot do that because -- at your request, let's  
8 say, the utility is required to disconnect service  
9 only at the time a premises visit is made, let's  
10 say.

11 I believe that you would agree that the  
12 number of potential disconnections would be less and  
13 maybe substantially less simply for the reasons you  
14 indicated in the answer to the data request.

15 In other words, the utility has to  
16 schedule equipment, and personnel, and arrange for  
17 people to be on-site before it can do that  
18 disconnection?

19 A. I agree that remote disconnection would most  
20 likely result in an increase, but if the rule  
21 continued the current requirement of a premises  
22 visit prior to disconnection but was able to save

1 money

2 by -- and we are talking here -- let's back up.

3                   The only way you can do remote  
4 disconnection is through the installation of  
5 Advanced Metering Infrastructure, or AMI, or Smart  
6 Meters.

7       Q.     Right.

8       A.     So there's no capability to do remote  
9 disconnection currently. You have to install a new  
10 meter and communication system which all customers  
11 would pay for.

12      Q.     Right.

13      A.     So we are in that world for the purposes of  
14 this hypothetical. Is that fair --

15      Q.     Sure. Absolutely?

16      A.     -- for me to answer your question in that  
17 respect?

18      Q.     Absolutely.

19      A.     So if that is, in fact, the situation, you  
20 will not be conducting field work to read meters and  
21 turn them on and off for new customers and do all  
22 sorts of routine disconnections at the request of



1 customers --

2 Q. Right.

3 A. -- to end service.

4 When somebody says "I'm ending service"  
5 you can remotely shut that meter off.

6 Q. Right.

7 A. So there's a lot of potential remote  
8 activity that will be done under this new metering  
9 system.

10 Q. Right.

11 A. You would only be left with the field work  
12 associated with the premise visits for  
13 disconnection.

14 Q. Right.

15 A. And it is my opinion that you could do that  
16 more efficiently, effectively, and perhaps even  
17 increase the volume but still use the premise visit  
18 approach, because you don't have these other  
19 activities for your field workers to worry about.

20 I just wanted to make it clear that  
21 there are aspects to cost savings from AMI that I'm  
22 not in opposition to and that may result in allowing

1 utilities to operate their disconnections a bit more  
2 targeted and actually increase the volume even  
3 though you have to do a premise visit.

4                   So the key is in our concern is not the  
5 volume. It's the premise visit. If you could do it  
6 cheaper, we are happy to have you do it. That's my  
7 point.

8       Q.     And I would -- finally, Ms. Alexander, I  
9 would call your attention to -- let me find the  
10 lines on the current version. It's your surrebuttal  
11 testimony, and I think it's -- let me find it --  
12 Page 3. I have got the old numeration. Let see. I  
13 have the new numeration here. I'm in the wrong  
14 testimony. Here we go.

15       A.     Okay. I have got the revised version in  
16 front of me. Tell me where to go. The problem is  
17 you don't I guess.

18       Q.     I'm trying to find --

19       A.     Well, give us the general Q and A here and  
20 we'll find it.

21       Q.     It's at lines 57 through 60?

22       MR. JOLLY: It's on Page 3.

1 MR. PABIAN: Yes, on Page 3.

2 THE WITNESS: And is this the paragraph that  
3 starts off "GCI?"

4 MR. PABIAN: Q. Yes.

5 A. "GCI, AARP, or LIRC proposals for changes  
6 are deemed to," quote, "upset the balance."

7 Q. Right, and in contrast.

8 Would it be fair to say that in  
9 hindsight that you probably should have restated  
10 that? And by that, I don't mean to just -- let me  
11 refer you to your response to Ameren Data Request  
12 3.04 in the first part of that response.

13 A. I gave a response to Ameren's Data Request  
14 in which I stated -- can I read this into the  
15 record?

16 Q. Please. Please. Please do.

17 A. If -- I have no problem with.

18 Q. That's okay.

19 A. In hindsight, I said, "Ms. Alexander should  
20 have stated that, quote, "Utilities typically  
21 responded more favorably to the staff's proposals,  
22 and when they disagreed with staff, often offered a

1 constructive alternative, period.

2                   On the other hand, many utilities  
3 simply rejected the GCI proposal outright or  
4 disparage the proposal period," end quote.

5       A.     Fair enough?

6       Q.     Fair enough.

7       JUDGE HILLIARD: Give me a reference for  
8 that --

9       MR. PABIAN: Your Honor, that's on --

10      JUDGE HILLIARD: -- quote. Ameren DR 3.04.

11      THE WITNESS: Yes, that is it.

12      MR. PABIAN: Q. 3.04.

13      A.     Directed to GCI.

14      Q.     Directed to GCI.

15                   And I won't be introducing that into  
16 the record. And that's all I have.

17      JUDGE HILLIARD: Do you want to take a lunch  
18 break or do you want to keep going for awhile?

19                   Who's next, by the way?

20      MS. MOORE: I probably can go, but, I mean, I  
21 would like a five-minute break.

22      MR. FOSCO: Or a lunch break. I'm looking at

1 reducing what's before been covered.

2 JUDGE HILLIARD: Why don't we have a lunch break  
3 and come back at 12:30. How's that.

4 MR. PABIAN: Just for the sake of my witness, and  
5 so do we have a ball park for how much is left for  
6 Ms. Alexander?

7 THE WITNESS: I would love to know that, too.  
8 Thank you.

9 MR. STURTEVANT: We have cross.

10 MR. PABIAN: At least an hour?

11 MS. MOORE: Yes.

12 JUDGE HILLIARD: Okay.

13 (Whereupon, a luncheon  
14 break was taken.)

15 Okay. Let's recommence the hearing.

16 The witness has previously been sworn. Are you the  
17 next questioner?

18 MR. STURTEVANT: Yes, your Honor. Albert  
19 Sturtevant on behalf of Illinois American Water  
20 Company.

21 THE WITNESS: Good morning. Not afternoon now.

22

1

2

BARBARA R. ALEXANDER,

3

recalled as a witness herein, having been previously

4

duly sworn, resumed the stand and testified further

5

as follows:

6

CROSS EXAMINATION

7

BY

8

MR. STURTEVANT:

9

Q. Good afternoon, Ms. Alexander.

10

I would like to start with a couple of

11

questions regarding your background. You do not

12

have any experience or education related to the

13

operation, management, building, customer service,

14

or customer relations of water utilities in

15

Illinois; is that correct?

16

A. In Illinois?

17

Q. In Illinois.

18

A. No.

19

Q. And you have not -- I'm sorry. So that's

20

correct that you do not have that experience?

21

A. Not in Illinois. I do elsewhere.

22

Q. I understand. I'm just asking about

1 Illinois. Thank you.

2 A. Very good.

3 Q. And you have not provided consulting  
4 services recently on any matter that solely affects  
5 water utilities; is that correct?

6 A. That is correct.

7 Q. Thank you.

8 I would like to talk a little about  
9 some of your recommendations with respect to water  
10 utilities.

11 You have not undertaken any particular  
12 study or analysis of the current Part 280  
13 applicability to water utilities; is that correct?

14 A. The current Part 280 comes with an  
15 applicability to water utilities, so I did not  
16 question that at any point or look into it further,  
17 no.

18 Q. Okay. So you have not taken any particular  
19 study or analysis of the applicability of water  
20 utilities; is that correct?

21 A. That's correct, except reviewing testimony  
22 by your client, but certainly no independent review

1 on my part.

2 Q. And you have not performed any study  
3 regarding the cost-of-service impacts of your  
4 recommendation in this proceeding on water  
5 utilities; is that correct?

6 A. That's correct. That would be impossible  
7 for me to do.

8 Q. Your direct and rebuttal testimony do not  
9 contain any recommendations regarding whether water  
10 utilities should continue to be subject to Part 280;  
11 is that correct?

12 A. The direct and the rebuttal, I don't recall.  
13 Are you specifically exempting the fact that I have  
14 said something in my surrebuttal on that matter?

15 Q. I'll get to that in a second.

16 A. I don't think that -- I don't think what I  
17 had in my surrebuttal was reflected in my prior  
18 testimony if that's what you are getting at, yes.

19 Q. Okay. Now in your surrebuttal testimony, as  
20 you mentioned, you recommended that smaller water  
21 utilities be exempt from certain requirements of  
22 Part 280; is that correct?



1       A.     I suggested that that concept would be an  
2 appropriate one to explore, yes.

3       Q.     And the --

4       A.     And, in fact, if I could say, you sent me a  
5 data request on that issue back in the direct phase  
6 of this case, and I answered the same way in that  
7 data response, but it never got into the record in  
8 surrebuttal.

9       Q.     And your recommendation that smaller water  
10 utilities be exempt, that's directed to certain  
11 written disclosures and minimum bill requirements  
12 generally, correct? And I can refer to your  
13 testimony if that would be helpful.

14      A.     There are a variety of disclosure or  
15 reporting requirements that would be appropriate to  
16 consider for exemption from the very smaller  
17 utilities, yes.

18      Q.     Okay. And with reference to your revised  
19 surrebuttal testimony, Page 7, Lines 139 to 142, you  
20 believe that these smaller water utilities may not  
21 be capable of adopting such requirements; is that  
22 correct?

1       A.     Well, they're obviously capable of  
2     complying. I should have said cost effectively  
3     capable of complying. The economies of scale are  
4     quite different.

5                 Based on my experience, smaller water  
6     utilities simply don't have the more -- maybe they  
7     do now, but in the past did not have the up-to-date  
8     computerized systems that are available to larger  
9     utilities.

10      Q.     Okay. And is it correct that it is your  
11     testimony on Lines 141 and 142 that you are  
12     recommending consideration of exemption for written  
13     disclosures, minimum bill format requirements, and  
14     other provisions that may not be either necessary or  
15     capable of being adopted by a utility; is that  
16     correct?

17      A.     I said certain of the written disclosures,  
18     whatever, and I did not identify them in my  
19     testimony. I suggested that staff should pick up on  
20     this idea and explore it further.

21      Q.     But generally your point is that smaller  
22     utilities may not be capable of adopting these cost

1 effectively as you said?

2 A. Yes.

3 Q. Thank you. Thank you.

4 And, as you -- I think you already said  
5 that the reason for that is these smaller utilities  
6 may not have -- the reason they can't cost  
7 effectively meet these requirements because they may  
8 not have the personnel, or the IT system, or  
9 financial resources; is that correct?

10 A. Yes.

11 Q. Because you have not performed any study  
12 requiring the cost-of-service on the proposed rules  
13 of the water utilities, you can't say exactly what  
14 size a water utility must be in order to be capable  
15 or not capable of meeting these requirements; is  
16 that correct?

17 A. That is correct. I do not have any  
18 information on that. It would need someone with  
19 more familiarity than I have with an array of and  
20 type of water utilities that are municipal or  
21 publicly-owned, for example, or even privately-owned  
22 around the state, yes.

1 Q. Ms. Alexander, at Page 5 of your  
2 surrebuttal -- I believe this is the revised  
3 surrebuttal -- Item No. 2 starting on Line 99, you  
4 identify the uncollectible rider as a significant  
5 change that should be recognized by the Commission;  
6 is that correct?

7 A. Yes.

8 Q. Do you know if the uncollectible rider  
9 applies to water utilities in Illinois?

10 A. You know, I assume that it did not, but, as  
11 I sit here today, I have to say that I'm not sure  
12 about that.

13 Q. I think your assumption is correct and if  
14 you will accept that.

15 A. Yes.

16 Q. Given that the uncollectible rider does not  
17 apply to water utilities in Illinois, would you  
18 agree that in that respect the Illinois utility  
19 regulatory framework is different for the water  
20 utilities?

21 A. Well, in that one respect, it is, but,  
22 obviously, water utilities have the full range of

1 ability to collect uncollectibles from all customers  
2 the same way all the utilities did before this  
3 surcharge was allowed, but there is that  
4 distinction, yes.

5 MR. STURTEVANT: Your Honor, I move to strike the  
6 portion of her answer after she agreed that in that  
7 respect it was being nonresponsive. It's certainly  
8 something parties can cover on redirect.

9 JUDGE HILLIARD: Overruled.

10 MR. STURTEVANT: Q. Ms. Alexander, I believe we  
11 touched on this earlier to some extent, but I would  
12 like to ask you whether you would agree that  
13 compliance with the revised Part 280 will impose  
14 incremental costs on regulated utilities in  
15 Illinois?

16 A. I can't agree with that statement, because  
17 it may be that there are additional costs that need  
18 to be incurred, but it's also possible that there  
19 are additional savings that would offset those costs  
20 in some areas. So what the overall incremental  
21 impact of any change in Part 280 would be would be  
22 very difficult for me to make a broad statement like

1 that.

2 Q. You would agree though with respect to your  
3 testimony again in your revised surrebuttal, and I  
4 believe this is on Page 7 -- Pages 6 and 7, it's  
5 your contention, is it not, that the utilities  
6 should seek recovery of -- and I'm looking at Lines  
7 132 to 136. It is your contention that if there are  
8 any incremental costs utilities should seek recovery  
9 of those costs in rate cases or through normal  
10 ratemaking proceedings; is that correct?

11 A. That is correct.

12 Q. So if there are incremental costs and they  
13 are approved for recovery, those incremental costs  
14 will ultimately be borne by the utilities'  
15 ratepayers; is that correct?

16 A. Yes.

17 Q. If I can sidetrack just for a second here to  
18 your direct testimony, Page 23 --

19 A. 23?

20 Q. Yes.

21 A. Yes.

22 Q. -- of your direct, Lines 625 and 626, you

1 discuss the related objective of controlling service  
2 center costs by minimizing call durations.

3                   With respect to the objective of  
4 controlling service center costs that you discuss,  
5 do you have an opinion as to the importance of that  
6 objective?

7       A.     The importance or weight that one would  
8 attach to that objective?

9       Q.     The rate that you, in your opinion, would  
10 attach to the objective of controlling service  
11 center costs.

12      A.     I believe that it is important. I would not  
13 want to characterize it as overwhelmingly important  
14 compared to other input, but, it is my opinion,  
15 based on my experience, that utilities do seek to  
16 reduce call times on the phone with customers  
17 through their customer calling centers, and I'm  
18 speaking of larger utilities with large customer  
19 call centers. That is one of the metrics they track  
20 very carefully, how long have we spent on the phone  
21 with people, and the shorter the call the more calls  
22 they can handle.

1 Q. I'm actually asking you with regard I think  
2 more generally than just a question of call  
3 durations of the objective of controlling service  
4 center costs.

5 So would it still be your opinion that  
6 the objective of controlling service center costs is  
7 an important, although not overwhelmingly important,  
8 objective or do you have an opinion about that?

9 A. I'm sorry. You are trying to take a  
10 sentence that I wrote and turn it into another  
11 statement? I said the related objective of  
12 controlling service center costs is by minimizing  
13 call durations. So that sentence has to do with  
14 minimizing call durations and reducing service  
15 center costs. So I haven't made a statement about  
16 service center costs generally.

17 Q. Okay. Do you have an opinion about  
18 controlling service center costs generally?

19 A. Well, my opinion would be so obvious as to  
20 not be very helpful.

21 Any business would want to reduce its  
22 expenses thereby increasing its revenues that are



1 not offset by expenses. So I wouldn't have anything  
2 to offer other than the most obvious statement at  
3 this point in the process.

4 Q. Would that be consistent with it being an  
5 important objective?

6 A. It's typically an important objective, and  
7 I'll tell you what would be the best example of that  
8 is closing the service centers in which people can  
9 walk in and talk to utility personnel has been an  
10 obvious trend in Illinois and elsewhere around the  
11 country and relying only on call centers for  
12 interactions with customers.

13 Q. Getting back to the question of incremental  
14 costs, Ms. Alexander, would you agree that  
15 compliance with the low-income customer provisions  
16 or the provisions applicable to those low-income  
17 customers in the revised Part 280 could impose  
18 incremental costs on water utilities in Illinois?

19 A. I did not provide any specific testimony on  
20 the low-income provisions. I'm aware of them. The  
21 GCI parties generally support them, but I haven't  
22 offered any opinion about them or given any

1 information about them in my testimony.

2 But if you are asking generally whether  
3 providing some benefits to low-income folks by  
4 eliminating late fees, or more generous payment  
5 terms, or so forth, it is logical to assume that  
6 there might be some indirect costs that would be  
7 passed onto customers as a result of those new  
8 provisions.

9 But, again, you might get more money if  
10 you do those things, and that certainly is not to be  
11 totally ignored in this theory that it's only going  
12 to be increased costs. That's my only concern.

13 Q. If you will bear with me for one second  
14 here.

15 A. Sure.

16 Q. With respect to the indirect costs relating  
17 to low-income customers that you just mentioned, it  
18 would not be your proposal or GCI's proposal to have  
19 those low-income customers just bear those costs  
20 themselves? It would be spread over -- socialized I  
21 believe is the --

22 MR. JOLLY: I'm going to object at this point.

1 Ms. Alexander indicated she's not testifying  
2 regarding low-income proposals, and I'm not sure  
3 what asking additional questions about them mean.

4 JUDGE HILLIARD: What's your response?

5 MR. STURTEVANT: Well, your Honor, she did  
6 mention low-income customers in her previous  
7 response to my last question. I wanted to see if  
8 she doesn't know or has no opinion. That's fine.

9 JUDGE HILLIARD: So long as it's your last  
10 question.

11 THE WITNESS: Why don't you repeat the question.  
12 I'll certainly attempt to.

13 MR. STURTEVANT: Q. So with respect to the  
14 indirect costs that might be passed onto customers  
15 that you previously mentioned, it would not be your  
16 understanding that those costs would be borne solely  
17 by the low-income customers? They would be  
18 socialized in the term that we used earlier today?

19 A. That is my assumption, yes, that they would  
20 be socialized and that they would not be borne by  
21 obviously the low income, that you are trying to  
22 lower bills instead of increase them, yes.

1 Q. Thank you.

2 MR. STURTEVANT: That's all the questions that I  
3 have.

4 JUDGE HILLIARD: Next questioner, please.

5 MS. MOORE: MidAmerican, your Honor.

6 CROSS EXAMINATION

7 BY

8 MS. MOORE:

9 Q. Good afternoon, Ms. Alexander. I'm Jennifer  
10 Moore with MidAmerican Energy.

11 A. MidAmerican Energy?

12 Q. Correct.

13 A. Thank you.

14 Q. And I am going to try to cover these  
15 questions by topic, as you put them forth in your  
16 direct testimony, and so hopefully we will be able  
17 to kind of follow.

18 Turning to the first issue on  
19 disclosures, I believe in your Exhibit 5.1 in Part  
20 280.30, the application process --

21 A. I'm sorry. Where are you now?

22 Q. In your issue of disclosure in your Exhibit

1 5.1, you suggested disclosure changes in the  
2 application process and you also made some changes  
3 in Subpart N, the information packet, where you  
4 would have the utilities disclose information for  
5 low-income customers and other areas like some of  
6 the rights and responsibilities of that. So let's  
7 see.

8 A. Yes, I remember all of that generally.

9 Q. Right. And you prescribe what information  
10 that they would have, the criteria, the rights of  
11 low-income customers with respect to deposits, and  
12 so forth.

13 A. Right. And this is the generic "Your Rights  
14 As Customers" brochure that we are talking about?

15 Q. Correct.

16 A. That's correct, and recommended a number of  
17 additional information to be included in that  
18 requirement, yes.

19 Q. Correct. So with that, did you perform any  
20 analysis of the percentage of MidAmerican customers  
21 that that information would be pertinent to?

22 For example, did you do a survey of

1 MidAmerican's service territory and how many -- what  
2 percentage of MidAmerican's customers actually would  
3 qualify as low income or need those services?

4 A. No, I did not do that survey.

5 Q. And did you perform any analysis or do any  
6 kind of surveys to the CAP (sic) agency that provide  
7 services to low-income customers in MidAmerican's  
8 service territory to find out what kind of  
9 information they already disclosed to their  
10 customers?

11 A. No, I didn't, but I would not be influenced  
12 by that information in any case since the CAP agency  
13 deals with those who seek their services and it is  
14 not intended as a generic communication to all  
15 affected customers by the utility.

16 Q. So, in particular, in MidAmerican's case,  
17 you wouldn't know what kind of information CAP  
18 agencies would send out in the area or what kind of,  
19 you know, informational campaigns that they would  
20 have or perform?

21 A. No. It would not be their obligation to  
22 provide disclosures about utility rights. That

1 would be the utility's obligation.

2 Q. Right. But you also -- but part of those  
3 rights would be some of the stuff that you would  
4 want disclosed.

5 A. Right, the rights --

6 Q. How you would qualify for LIHEAP assistance  
7 and other assistance that may be available?

8 A. We are not talking about here for the  
9 utility to disclose how low-income people can get  
10 LIHEAP. We are talking about disclosing to utility  
11 customers what their rights as utility customers are  
12 about deposits, late payment fees, and other  
13 criteria that we have now talked about adding to  
14 Part 280.

15 So here we are just asking the  
16 Commission to mandate that utilities tell their  
17 customers what their customers' rights are under  
18 these rules, and we added information here about the  
19 low-income rights that the new rule supposedly  
20 contain. So that's all I'm talking about here. I'm  
21 not asking you to do outreach for the CAP agencies  
22 about LIHEAP.

1 Q. Okay. Fair enough. But I guess my question  
2 was going to -- at this point you don't know what  
3 kind of information is already available to some  
4 MidAmerican customer base or how -- what CAP  
5 agencies?

6 A. Whatever the information is that they're  
7 currently providing, it would not include the new  
8 provisions of Part 280, because those rights  
9 currently don't exist. So when the new Part 280 is  
10 adopted, low-income people will have certain rights  
11 that they currently do not have, and that is the  
12 information that needs to be informed to all  
13 customers so they equally have an opportunity to  
14 learn about this information.

15 Q. Okay. And let's kind of parlay that into  
16 your deposits and move on to the deposit --

17 A. Okay.

18 Q. -- section.

19 Oh, that would be -- back to that  
20 question. I believe in the deposit in your  
21 surrebuttal testimony --

22 A. Deposits, surrebuttal. Okay.



1 Q. And I'm sorry. Your rebuttal testimony on  
2 Page 10.

3 A. Surrebuttal or rebuttal?

4 Q. Pardon me. Exhibit 3.0, rebuttal testimony  
5 on Page 10.

6 A. Okay. That's fine. I have just got to get  
7 the right piece of paper. Rebuttal, yes.

8 Q. You provided a data --

9 A. Where are you here? Sorry.

10 Q. Your box there under Line 227 you provided a  
11 summary of data request responses you received from  
12 utilities.

13 A. Oh, this had to do with the costs of -- what  
14 page are you on? I'm sorry.

15 Q. 10?

16 A. 10. Okay. This is the, okay, residential  
17 customers who would be eligible for a deposit if we  
18 changed Part 280 as recommended by the utilities,  
19 yes.

20 Q. All right. And did you -- I'm not sure if  
21 you said. What year was this data request issued?

22 A. That's a good question, and I think that I

1 explained that.

2 Q. Well --

3 A. It happened during the Docket 05-023 (sic),  
4 which was the utility request to make this change in  
5 the rule, that waiver request.

6 Q. Correct.

7 A. And we did -- we did -- what do you call  
8 it -- the data requests. So those would have  
9 occurred in maybe late 2005 or early 2006.

10 MS. MOORE: Your Honor, if I may. May I approach  
11 the witness?

12 JUDGE HILLIARD: Sure.

13 MS. MOORE: Anybody else want copies, let me  
14 know.

15 (Document tendered.)

16 MS. MOORE: Q. Ms. Alexander, what I am handing  
17 you is MidAmerican's response to its data request  
18 for a basic question. You didn't provide  
19 MidAmerican with another follow-up data request  
20 asking them to update their information, did you?

21 A. No, I did not.

22 Q. And in reviewing the questions that you

1 asked, did you ever -- you didn't ask the utilities  
2 what their -- well, you did there, and you had the  
3 utilities provide the average number of deposits  
4 that were demanded from customers from the years  
5 2003 and 2004; isn't that correct?

6 JUDGE HILLIARD: Identify this as MidAmerican  
7 Cross Exhibit 1.

8 MS. MOORE: Yes, your Honor. That might be  
9 better.

10 (Whereupon, MidAmerican  
11 Cross Exhibit No. 1 was  
12 marked for  
13 identification.)

14 THE WITNESS: Yes. Are we talking about the  
15 response to 1.05-G?

16 MS. MOORE: Q. Well, that is maybe what you  
17 quoted, but I'm trying to get the other responses  
18 and other questions in the data request, so your  
19 question 105-F --

20 A. Right.

21 Q. -- there for comparison purposes, and do you  
22 see MidAmerican's response?

1       A.     Yes, that they were holding 443 deposits at  
2 the end of 2003 and 517 at the end of 2004.

3       Q.     Correct. And do you know what percentage of  
4 the customer base of MidAmerican that would be?

5       A.     No.

6       Q.     And then the follow-up question you had  
7 there in (g) is what you put in there, and there's  
8 no -- so if the rule changed, you did ask what would  
9 be the possible percentage of customers that would  
10 qualify; isn't that correct?

11      A.     We asked you to estimate the number of  
12 residential customers that would be eligible if the  
13 proposed change was implemented.

14      Q.     But in this data request you never asked how  
15 the utility would impose it. So if 3500 customers  
16 qualified for a deposit, you never asked the  
17 follow-up question on whether the utility would  
18 actually collect all of the deposits or if it would  
19 have some other kind of metrics that would maybe be  
20 more stringent and not require deposits for?

21                       So, in other words, you never asked  
22 what MidAmerican's implementation policy would be on

1 customers?

2 A. I did not ask what MidAmerican would do if  
3 the rule was changed. That was not the purpose of  
4 my question. But I understand. I did not ask that  
5 question.

6 Q. So it would be possible that a utility would  
7 be allowed to collect a lot more deposits but  
8 actually in reality, in practice and implementation,  
9 they would not collect it, correct?

10 A. That's conceivable, but, of course, that's  
11 irrelevant to the adoption of the rule that sets the  
12 minimum standards that we have to expect the utility  
13 would actually implement. That's how we have to  
14 approach our view of the rule. But I agree a  
15 utility could in its discretion not ask for a  
16 deposit even though it was required to do so --

17 Q. Yes.

18 A. -- or allowed to do so. Excuse me.

19 Q. But the point is the utility also would have  
20 some flexibility in how they would be able to use  
21 the rule based on their individual operational  
22 circumstances and serve its territory's needs,

1 correct?

2 A. A utility could certainly choose not to  
3 impose a deposit when the rule would otherwise allow  
4 them to do so, and they could make that decision  
5 based on their own policies about deposits and their  
6 needs as viewed from their perspective. I agree  
7 that could happen.

8 Q. So then -- and this kind of brings me to  
9 another one. On Page 17 of your direct testimony,  
10 Line 433, you recommend --

11 A. You need to let me get there. I'm sorry.

12 Q. I'm sorry.

13 A. I have to find it. We are doing the direct.  
14 I have got it. It's just in here somewhere. Sorry.  
15 All right. Testimony. Okay. Direct. What page?

16 Q. Page 17.

17 A. 17.

18 Q. Line 433, you have in parens there you go  
19 onto say that you would -- maybe it implies --  
20 consider limiting the data requirements to utilities  
21 above a certain size.

22 A. I do have that referenced here, yes.

1 Q. What size would you be thinking of there?

2 A. I did not have and do not now have a  
3 particular number in place. My hope was that, of  
4 course, this was the direct testimony, and our hope  
5 was that the staff would explore more carefully our  
6 request for this uniform data collection and explore  
7 the size of the utility issue, and they never did.  
8 So we never got beyond the idea of it here at this  
9 point.

10 Q. Okay. But we have -- if the Commission --  
11 you're still advocating this position in front of  
12 the Commission. And if the Commission were to adopt  
13 these data requirements, would you then either have  
14 a limitation on the size of the service territory or  
15 perhaps a minimum cost level of what it would cost a  
16 utility to implement it? And so if they had a  
17 smaller customer base and the incremental cost to  
18 implement some changes would be great and force  
19 perhaps the utility in a rate case, would that be a  
20 factor?

21 I'm just trying to weigh what would be  
22 your measuring stick for utilities. Would it be

1 based on size? Cost? Some other factors? I'm  
2 not --

3 A. I would need some more careful thought, and  
4 I think all the things that you raise would be  
5 appropriate facts to bring to the table. And if the  
6 Commission adopted a minimum set of reporting  
7 requirements similar to those we have suggested, and  
8 they said as a compliance matter we direct the staff  
9 to create a data dictionary that would be uniformly  
10 reported with uniform definitions and, oh, by the  
11 way we are amenable to the notion of very small  
12 utilities having more than one exemption, and you  
13 should explore that as a compliance matter after the  
14 rule's adopted, we would be most pleased to  
15 participate in that proceeding, but I do not have  
16 the data here today to give you the rule about how  
17 that might happen.

18 Q. Okay. Fair enough. Turning to Page 18, you  
19 had -- how did you just say that? You would have a  
20 data --

21 A. Dictionary.

22 Q. -- dictionary?



1                   So turning to my next question on your  
2 data requirements on Page 18 there, Line 461, one of  
3 the data requirements would be the number of new  
4 customer accounts established?

5       A.     Yes.

6       Q.     Did you provide a definition for new  
7 customer accounts in the definition portion of the  
8 proposed rule or in your proposed rule, your Exhibit  
9 5.1?

10      A.     I would presume we would use the definition  
11 of customer as reflected in the final version of  
12 this Revised Part 280. We certainly would not use a  
13 different definition for these reporting  
14 requirements than Part 280 already gives us. So  
15 whatever that final definition is would be the one  
16 used here.

17      Q.     Okay. But there's no -- but you would agree  
18 you don't have a tie back to that?

19      A.     A tie back to that?

20      Q.     Well, you use new customer accounts, and so  
21 what is meant by -- and, I mean, because we have an  
22 applicant and we have a customer.

1       A.     Right.    So once you are a customer, you have  
2 a new customer account.

3       Q.     All right.

4       A.     I mean, that's my --

5       Q.     But --

6       A.     -- off-the-cuff response.

7                     Is there some confusion that I'm not  
8 picking up here on your question?  Applicants are a  
9 different group.

10      Q.     I understand what you are saying that they  
11 are a different group, but how do you distinguish a  
12 new customer from a regular customer?  The  
13 definition doesn't do that.

14      A.     Oh.    There would be a monthly report of all  
15 the new customer accounts you open that month.

16      Q.     Okay.  And let's just drill down a little  
17 bit further on operational differences.

18                     Are you familiar with the Squad Cities  
19 in Illinois?

20      A.     I know that they exist, but I could not  
21 claim any familiarity, yes.

22      Q.     So -- and it goes back to I guess some of

1 the definition on what you mean what would be a new  
2 customer. If a customer moves from Iowa across the  
3 river to Illinois, would that be considered a new  
4 customer?

5 A. It is for the Illinois retail jurisdictional  
6 matter, yes.

7 Q. So then you would expect MidAmerican's  
8 customer service base or system to be able to  
9 distinguish between that and that reporting can be  
10 kicked out?

11 A. I would presume your system could kick out  
12 the Illinois addresses and meter information for the  
13 purposes of your base rate cases in front of this  
14 Commission, yes.

15 Q. But those wouldn't necessarily be tied to  
16 customer accounts. I mean, did you --

17 A. Do you file a FERC Form 1? I'm sorry to be  
18 rude here, but every utility has to file a report  
19 about new customers in its system.

20 Q. I understand that, but I'm just trying to  
21 get back to you how the data is measured, because as  
22 you agreed, there isn't a definition that would

1 directly tie back. So if you are going to get some  
2 uniform -- well, let's just move to the --

3 A. Right. My intent was to use the definitions  
4 and to tie them all to those that appear in Part  
5 280.

6 Q. And where they don't appear, like the  
7 overdue amounts per billing period --

8 A. That term is right here. This rule defines  
9 when an amount is overdue for each customer account.

10 Q. But it's not in a separate -- it's not in  
11 the separate definition section.

12 A. It's in the requirements for what triggers  
13 collection action that you can take to send a notice  
14 or impose late fees. A customer must have blank  
15 number of days to pay their bill before you can  
16 impose late fees or send a disconnection notice, and  
17 so all utilities --

18 Q. Okay. And the way you put it doesn't refer  
19 back to that section.

20 A. I did not include detailed sectional  
21 references in this list, no.

22 Q. Okay. Now moving on to -- sticking with the

1 data requirements, in your surrebuttal testimony,  
2 you have summaries. You provided another summary of  
3 data request responses that you received from  
4 utilities.

5 A. Where are we now, please?

6 Q. On Page 42. Mr. Jolly might have  
7 interpret --

8 MR. JOLLY: It's Page 41 after Line 943.

9 JUDGE HILLIARD: What documents are you on now?

10 MS. MOORE: Exhibit 5.0 on Page 41, the chart  
11 there.

12 THE WITNESS: Yes. This is the chart of the  
13 utility responses as to whether they could right now  
14 provide this data and what it could provide if  
15 required.

16 MS. MOORE: Q. And for the cost information  
17 that's your characterization of responses.

18 A. Yes, I would say that is my  
19 characterization.

20 MS. MOORE: Your Honor, may I approach the  
21 witness again?

22 JUDGE HILLIARD: Go ahead. So you handed the

1 witness a document that you are going to call

2 MidAmerican Cross Exhibit 2?

3 MS. MOORE: Correct.

4 (Whereupon, MidAmerican

5 Cross Exhibit No. 2

6 was marked for

7 identification.)

8 MS. MOORE: Q. And then before you, you have the

9 actual question that you asked the utilities.

10 A. Yes.

11 Q. And where you said the data wasn't

12 available, you wanted them to provide the degree of

13 difficult or expense to obtain such information in

14 the future?

15 A. Yes.

16 Q. Now looking at the number of new customer

17 accounts, is it that MidAmerican refused to -- and

18 you take time to read the response. Is it that

19 Mid-American -- I'm sorry.

20 (A brief pause.)

21 JUDGE HILLIARD: The question --

22 THE WITNESS: What is the question?

1 JUDGE HILLIARD: The question -- excuse me -- the  
2 question relate to Page 1, MidAmerican Cross Exhibit  
3 2, the response to question 2.5?

4 MS. MOORE: Correct.

5 JUDGE HILLIARD: All right.

6 MS. MOORE: Q. In there you have -- in the  
7 response there's number two, the number of new  
8 customers established?

9 MR. JOLLY: Page 2, Item No. 2.

10 JUDGE HILLIARD: All right.

11 THE WITNESS: You are questioning what now? What  
12 is your question?

13 MS. MOORE: Q. In that question -- I guess this  
14 would be one of the questions that you characterize  
15 as a refusal to respond. In reading that response,  
16 is that refusal or is the response -- I'm going more  
17 towards a difficulty to obtain the information  
18 without further --

19 A. Personally I thought these responses were  
20 argumentative and not providing good faith estimates  
21 of what, in my opinion, are pretty clear reporting  
22 requirements. To tell us how many new customers

1 have been added to your system each month is, in my  
2 opinion, not highly difficult, vague, or should have  
3 resulted, and, in my opinion, this is a refusal to  
4 respond, and I understand you may question how I  
5 could categorize it, but I'm not -- I am comfortable  
6 with my response.

7 Q. And that's fair enough. Now I think I want  
8 to go back to form -- sorry here. Let me check  
9 here, because I think it's your direct. So your  
10 Exhibit 1.0, Page 23, and I know Illinois American  
11 Water touched upon this, but on Line 625 there we  
12 have gone over what you have said there about the  
13 related objective of controlling the service center  
14 costs.

15 A. Yes. I'm at that page here, yes.

16 Q. Now did you serve any data requests to  
17 MidAmerican asking them specific questions about  
18 costs and how they're managed in the call center?

19 A. No. This statement was based on my general  
20 familiarity with utility operations in call centers  
21 as a result of my 20 years involved in these kinds  
22 of issues, yes.



1 Q. In general, but not specifically,  
2 Mid-American?

3 A. That is absolutely correct. It's not  
4 specific to Mid-American.

5 Q. All right. Now on Page 27 of your direct  
6 testimony there beginning on Line 731 -- well,  
7 actually backup to 730 -- you talk about the Iowa  
8 rule and that you recommend implementing the same  
9 approach, and then we have established that 5.1 is  
10 your final rule change. Your Exhibit 5.1 changes  
11 the rule.

12 Now if you could turn to Page 30 of  
13 your -- well, it was your Page 30. It might be your  
14 Page 29 in your surrebuttal testimony.

15 A. Yes.

16 Q. You said that you would have no objection  
17 modifying your proposal to allow utilities to  
18 require a customer to make two payments under the  
19 original payment plan as a condition of the  
20 eligibility for renegotiation.

21 MR. JOLLY: Give us the beginning of the  
22 paragraph.

1 MS. MOORE: It was the question "Could you agree  
2 with MidAmerican's proposal that the obligation to  
3 renew -- renegotiate a payment plan."

4 MR. JOLLY: It's on Page 29, question at Line  
5 688.

6 THE WITNESS: If that requirement that had been  
7 suggested is part of the Iowa Administrative Code, I  
8 would have no objection to including it. And is  
9 your concern that somehow we didn't put that into  
10 our Exhibit 5.1?

11 MS. MOORE: Q. Correct.

12 A. Well, that might have been an oversight, but  
13 now what we can do is go back and look at the Iowa  
14 Administrative Code and see if we have failed to  
15 include a provision that we should.

16 Q. Well, if you could turn to -- it is Page 38  
17 of your 5.1, and it would be the Section 280 -- just  
18 so we're clear on what section, we're talking  
19 about --

20 A. What page are you again on 5.1?

21 Q. Page 38 --

22 A. 38.

1       Q.     But that would refer back to Section 20.120,  
2 deferred payment agreements, and then it is your red  
3 line K and that is Subsection K, renegotiation.

4       A.     Uh-huh.

5       Q.     So you would agree to modify or strike the  
6 language that you have suggested and put in the  
7 second payment agreement as it's written in the Iowa  
8 Administrative Code? And, if you like, I can  
9 provide you a copy of that.

10      A.     Well, it certainly would be appropriate for  
11 us to review that and consider adding that, because  
12 I did say that if the Iowa Administrative Code on  
13 this matter included this two-payment rule -- could  
14 we call it that -- then perhaps we should adopt it  
15 as well, because I wanted to be fair in including  
16 all the Iowa provisions that were relevant. It's  
17 up here. And if you look in 5.1, and we are on  
18 Page 38, and we're talking about default in the --  
19 excuse me -- reinstatement, which starts at the  
20 bottom of 37, that's J, right? We look at the  
21 paragraph about reinstatement. The requirement is  
22 if the customer has made at least two consecutive

1 full payments under the first payment agreement,  
2 right? So that's reinstatement. And then the next  
3 is renegotiation, which is to redo the terms.

4                   So I just want to make sure that the  
5 Iowa code covers both those situations, and I failed  
6 to do that or include it here. We can clear that up  
7 in briefs.

8       Q.    I just wanted that clarified.

9       A.    Yes.

10      Q.    And now I have a couple more questions, and  
11 they're really clarification questions.

12      A.    Yes.

13      Q.    And I know that Mr. Fitzhenry had covered  
14 this in the deposit section there on Page 22 of your  
15 5.1.

16      A.    22.

17      Q.    In that Subpart 3 you use written  
18 confirmation --

19           JUDGE HILLIARD: You are talking about Page 22?

20      MS. MOORE: Yes.

21           JUDGE HILLIARD: It's Subsection --

22      MS. MOORE: D-3, your Honor.

1 JUDGE HILLIARD: Of Rule 280, Section 280.50?

2 MS. MOORE: Correct.

3 JUDGE HILLIARD: All right.

4 THE WITNESS: I think I clarified that in my  
5 questioning.

6 MS. MOORE: Q. You did, but you would agree with  
7 me that written communication isn't in the  
8 definition section?

9 A. I don't think it is.

10 Q. So -- but would you have an objection to  
11 including something that would clarify what we mean  
12 by written communication?

13 A. No.

14 JUDGE HILLIARD: Written confirmation is the word  
15 used in the rule. Is that what you are talking  
16 about?

17 MS. MOORE: Uh-huh.

18 THE WITNESS: No, I would not object to  
19 clarification about that.

20 MS. MOORE: Q. And then I just have one final  
21 quick question. Mr. Fitzhenry pointed this out,  
22 too. In Section 280.90, estimated bill on Page 30,

1 he briefly went over the requirements here. In that  
2 Subsection D --

3 A. Subsection D.

4 Q. -- at the end there it cites that the  
5 service may be disconnected pursuant to 4CSR  
6 240-13.050. I think that's a reference to the  
7 Missouri code.

8 A. I think you are right. So that slipped by  
9 us, and it should be Part 280 disconnection section.

10 Q. So that would be my next question. What e  
11 would that refer back to?

12 A. Whatever the Part 280 disconnection section  
13 is. I can't give the number off the top of my head,  
14 but that certainly would be appropriate.

15 MS. MOORE: Okay. I have no further questions.

16 JUDGE HILLIARD: Is there another question?

17 MS. MOORE: Your Honor, can I move to enter into  
18 the record Exhibits 1 -- MidAmerican Cross Exhibits  
19 1 and 2.

20 JUDGE HILLIARD: Are there any objections?

21 MR. JOLLY: No.

22 JUDGE HILLIARD: MidAmerican Cross Exhibits 1 and

1 2 will be admitted into the record, and provide  
2 three marked copies to the clerk.

3 (Whereupon, MidAmerican  
4 Cross Exhibit Nos. 1 and  
5 2 were received in  
6 evidence.)

7 MR. FOSCO: May I proceed, your Honor.

8 JUDGE HILLIARD: Yes, please proceed.

9 CROSS EXAMINATION

10 BY

11 MR. FOSCO:

12 Q. Good afternoon, Ms. Alexander. My name is  
13 Carmen Fosco, and I'm one of the attorneys  
14 representing Nicor Gas Company.

15 A. Nicor Gas.

16 Q. Yes. And I have a few questions.

17 Referring to 280 -- Section 280.10 of  
18 your Exhibit 5.1 --

19 A. Can you give me a page number?

20 Q. Page 4.

21 A. Page 4.

22 Q. Top of Page 4. I think it starts on Page 3,

1 bottom of Page 3. The language is on the top of  
2 Page 4.

3 A. Yes.

4 Q. My question is, do I understand your  
5 knowledge about this, you have not studied any of  
6 the current exemptions or waivers for any of the  
7 Illinois utilities, have you?

8 A. No.

9 Q. And if we go back to 280.05, which is the  
10 policy statement, which has a reference to the  
11 waiver section, I mean, that doesn't change your  
12 answer if we refer to that section. You haven't  
13 studied any of the waivers mentioned in 280.05; is  
14 that correct?

15 A. I haven't studied them to provide this  
16 proposed policy, no.

17 Q. And nor have you studied, correct, any of  
18 the utilities' tariffs as to what provisions may or  
19 may not be impacted by those provisions?

20 A. No, I did not undertake that task.

21 Q. Thank you. So if we go to the definition  
22 section of occupant in 280.20, which I think is on



1 Page 6 --

2 A. Yes.

3 Q. -- your proposed definition differs from  
4 staff by adding "is not a customer or applicant."  
5 You would add "or applicant" correct?

6 A. Yes.

7 Q. And would your proposal be the same even if  
8 applicant doesn't seek to be -- to obtain service  
9 until some future point in time, let's say three  
10 weeks or months ahead of time?

11 A. You mean, if the occupant fails to?

12 Q. You used the word "applicant," yes. You  
13 would deny occupant as a customer who is not a  
14 customer or applicant?

15 A. Right. An applicant is one who applies for  
16 service. We all agree about that. A customer is  
17 one who's been granted service in his or her name.  
18 We all agree about that. So then we have this weird  
19 group of people out there who are in apartments or  
20 homes and they either don't have service or they  
21 have it but it's not in the name of anybody. So we  
22 had to have a term, and staff does, too, to talk

1 about what you do with those people.

2 Q. Okay.

3 A. That's all, just trying to be absolutely  
4 clear.

5 Q. I'm sorry. But I don't have reference, but  
6 is it part of your change there in reference to some  
7 other notice provisions in the proposed rewrite?  
8 And isn't that -- strike that. Strike that.

9 A. I'm sorry. It's not ringing a bell with me,  
10 I think we were just trying to be absolutely clear  
11 with the definitions.

12 Q. Okay. If you could go to the definition for  
13 a transfer of service.

14 A. Yes.

15 JUDGE HILLIARD: Page 7?

16 MR. FOSCO: Yes. Thank you.

17 MR. FOSCO: Q. Staff added language in  
18 surrebuttal regarding -- referring to a customer who  
19 has an undisputed past due utility charge for a  
20 deposit amount or for more than two days past the  
21 due date and allows a different or some limitation  
22 on transfer of service. Do you accept staff's

1 language?

2 A. I'm sorry. I'm not prepared to make a  
3 comment about that. I didn't come to the hearing  
4 prepared to react to the staff's latest proposals.  
5 I think the briefs from the parties will perhaps try  
6 to address that, but I didn't know that I could  
7 offer my opinion about staff's latest proposals  
8 here, so I didn't prepare to do that. Sorry.

9 Q. I'm moving on now to 280.30, application. I  
10 keep referring to page, but I don't have a question  
11 about the specific language.

12 My question is this. You had a  
13 discussion with Mr. Fitzhenry about, in your  
14 opinion, utilities having a right to learn the  
15 identity of their customers or potential customers,  
16 correct?

17 A. Yes.

18 Q. And would you agree that one of the reasons  
19 for that or one of the factors that plays into that,  
20 right, is to prevent or to avoid fraud?

21 A. Well, fraud is bad for utilities because of  
22 two things: One is you may not get your money; and,

1 two, some other person might be harmed if they were  
2 misrepresenting themselves as someone else's  
3 identity, so we have a whole identity theft issue.

4 Q. Are both of those legitimate concerns here?

5 A. Yes. They are legitimate concerns, yes.

6 Q. Thank you. One of the other changes you  
7 propose in this section is to require disclosure of  
8 deposit-related information, correct?

9 A. Yes.

10 Q. In the other areas of the act, for instance,  
11 with respect to identification, you indicated that  
12 the disclosure -- if I understood your testimony  
13 correctly with Mr. Fitzhenry, you agree that the  
14 disclosure requirements, as you intended them, would  
15 only apply if identity became an issue, correct?

16 A. To submit proof of identity typically  
17 happens if the utility has reason to question the  
18 information given over the phone.

19 Q. Let me go back to that. I thought the way I  
20 understood your testimony, and you tell me if I had  
21 it wrong, I thought it was your testimony that the  
22 customer service rep only needs to read the list of

1 acceptable IDs if the customer's identification is  
2 an issue.

3 A. That would be the logical connection, yes.

4 Q. That's your position or your understanding  
5 or how you --

6 A. That's how I practically understand the  
7 situations when someone calls up and applies for  
8 service.

9 Q. Okay. Would you agree that that would be a  
10 similar practical application to deposit information  
11 that there would be no need to read through that  
12 whole list of deposit information unless there are  
13 potential deposit issues?

14 A. That is correct. May I distinguish between  
15 the deposit disclosure specifically for this  
16 customer, which would only be triggered if this  
17 customer or this applicant is being asked to pay  
18 one, versus the generic application information  
19 which should be available to any customer and posted  
20 on your website about why we ask for deposits.

21 Q. I accept that distinction.

22 A. Thank you. Thank you.

1 Q. We are talking about a situation where  
2 there's a phone call and that customer's at a  
3 customer call center.

4 A. Right.

5 Q. If you could refer to Section 280.30, which  
6 is on Page 7 --

7 A. Yes. That's where we were.

8 Q. -- and Paragraph E, which I guess is  
9 actually on a different page now, Page 9, E2,  
10 capital B. Are you there?

11 A. Yes.

12 Q. Okay. You propose to strike the "at the  
13 utility's discretion" language from staff's  
14 language, correct?

15 A. I'm reading from the beginning to refresh my  
16 memory here. Just a minute, please.

17 (a brief pause.)

18 Yes. We have optional approaches here  
19 with regard to the issue of paying the past-due debt  
20 and paying for the deposit and the options are in  
21 (A) the applicant pays the past due debt in full,  
22 and then has the payment plan for the deposit, or

1 (B) enters into a payment agreement to retire the  
2 past due debt and pay the deposit in full.

3 Q. So you are -- I'm sorry. Were you finished?

4 A. Yes, I am.

5 Q. So you are adding another option or another  
6 right for a customer to enter into a payment  
7 agreement. Even though that customer may have  
8 already defaulted on payment and subject to  
9 disconnection notice, all they have to do is apply  
10 for service again. And, in your view, we should  
11 give that customer another automatic payment  
12 arrangement, if they deserve it, not at the  
13 utilities' option but at the customer's option?

14 A. Well, it seems to me our proposal is that  
15 utilities can tell the customer they must either pay  
16 the payment, overdue amount, in full, okay, and make  
17 a payment arrangement on the deposit, or the  
18 customer must pay the overdue amount in an agreement  
19 and pay the deposit in full. And the theory of this  
20 is that in most cases you really cannot get the  
21 entire -- if the overdue amount is large, you are  
22 not going to get the full overdue amount and you are

1 not going to get the full deposit at the time the  
2 customer needs to have essential utility service  
3 connected.

4                   So we are trying to provide some way  
5 for you to make sure that you get some cash up  
6 front, which is important, and the terms of the  
7 payment agreement might be much more strict for this  
8 customer than it would be for someone who calls up  
9 and needs a payment arrangement and never had one  
10 before. So we are not telling you what the terms  
11 are here.

12       Q.     I'm having a lot of trouble understanding  
13 the meaning of your proposal, and I'm trying to  
14 clarify that.

15       A.     Sorry.

16       Q.     No. No. There's no need to apologize, but  
17 that's what I am trying to get at with these  
18 questions.

19                   Your language in 2-A is the applicant  
20 must pay the past-due debt in full, and, if  
21 otherwise require -- enter into a payment plan for  
22 the deposit amount.



1       A.     If there's a deposit required, yes.

2       Q.     So that whole (A) deals with deposits?

3       A.     No.   (A) deals with the past-due debt --

4       Q.     Right.

5       A.     -- and the deposit.

6       Q.     And the deposit?  Okay.  And then (B)  
7 though -- I guess I'm still not fully understanding.

8                 Let me just ask you straightforward is  
9 a customer -- let's assume a customer doesn't want  
10 to pay it and says, "I can't pay the past-due debt  
11 in full."  Does that customer have a right under  
12 your language to tell the utility I want a payment  
13 plan?

14       A.     Well, I think the response is if you cannot  
15 afford to pay the past-due debt in  
16 full -- and, by the way, that would be the subject  
17 of some additional discussion other than "I just  
18 can't," but it may depend upon the amount of the  
19 debt, how long it was incurred.  All those criteria  
20 we want to put back in the rule that staff wants to  
21 eliminate.

22                 But be that as it may, you have a

1 discussion, and the customer is told, "Well, if you  
2 don't pay it in full, we are going to require this  
3 deposit in full. And so let's talk about what you  
4 would prefer to do and what would be best to get you  
5 back on and get the revenue that you want," which is  
6 to get the customer back on and get the revenue  
7 paid.

8 Q. I guess I appreciate your attempt to answer.

9 MR. FOSCO: But, your Honor, I just don't think I  
10 have an answer yet as to whether the customer --  
11 whether this witness believes under her proposed  
12 language sponsored in Exhibit 5.1 -- I don't believe  
13 we have an answer as to whether she believes it's at  
14 the customer's option if they want a payment plan,  
15 if they can do it or, if not, under what conditions  
16 the utility can deny it. I'm not understanding.  
17 She hasn't answered that I don't believe.

18 JUDGE HILLIARD: Can you answer the question he  
19 just asked you?

20 THE WITNESS: The option is given to the  
21 customer, but it is an option that requires the  
22 customer to pay a significant amount of money to get

1 turned back on. They agree they're going to pay the  
2 deposit in full or they're going to pay the overdue  
3 amount in full.

4 MR. FOSCO: Q. Where does it say the customer  
5 has to pay a significant amount of money?

6 A. Because we took out "at the utilities'  
7 discretion." The money is the deposit in full or  
8 the past due in full. Those are the options.

9 Q. So if they're paying the deposit, then  
10 they're entitled to a payment plan?

11 A. Yes.

12 Q. Okay. And then we start the whole cycle  
13 again with the customer being entitled to a payment  
14 plan. The customer -- all disconnection notices and  
15 all the provisions in the act would apply again,  
16 correct? I mean, we are starting the cycle again.  
17 This customer who's already maybe given a notice of  
18 disconnection and actually has been disconnected  
19 because they're going back and starting that cycle  
20 again?

21 A. This is not someone who's been recently  
22 disconnected. They're still a customer under our

1 definition.

2 Q. Okay. You are --

3 A. In the last 30 days if they have been  
4 disconnected and they come to you, they're a  
5 customer and you can take whatever actions you are  
6 allowed to have with customers. This is an  
7 applicant, and typically what you are dealing with  
8 here is older debt.

9 Q. Okay. Thank you. Moving on now to Section  
10 280.40, deposits, which starts at page -- starts at  
11 Page 13, again, I have a general question related to  
12 your insertion of language that would make the  
13 notification requirement a notice to be given  
14 orally.

15 Would you agree that customers would be  
16 better informed and less likely to be confused about  
17 their rights and obligations under staff's written  
18 disclosure requirement rather than under an oral  
19 notification requirement?

20 A. I think there's some confusion here about  
21 the timing of the written disclosures about the  
22 deposit.

1                   Both the staff and GCI support a  
2 written notice to customers about a deposit request,  
3 but that happens after you have communicated with  
4 the customer on the telephone.

5       Q.     And in your proposal only if they request  
6 it, correct, five days after the request?

7       A.     That proposal in Exhibit 5.1 was a  
8 compromise from our earlier position, which is that  
9 everyone automatically get this written disclosure  
10 within five days of the utilities' decision to  
11 impose this deposit.

12      Q.     But I guess I'm still going back to my  
13 original question. Isn't it a fair statement that  
14 customers would be better informed and have --  
15 whatever level of confusion they have -- they would  
16 have less confusion if they always received the  
17 written notice as proposed by staff?

18      A.     The staff's language here says, "The initial  
19 deposit notice shall be made in writing."

20      Q.     Correct.

21      A.     You can't make an initial deposit notice to  
22 a customer in writing if you have got them on the

1 telephone. I was trying to clarify what a number of  
2 utilities said was an impossible recommendation in  
3 staff's draft.

4 I'm happy to have all deposit notices  
5 made in writing. We would not object to that, but I  
6 was trying to clarify that first you do it orally  
7 typically, then you do it in writing.

8 Q. But you kept all of staff's written  
9 requirements and, in fact, added a few of your own,  
10 did you not?

11 A. Where? Here?

12 Q. Yes, in Section 280.40.

13 A. We added some additional disclosures, yes.

14 Q. And you did not delete any?

15 A. No, we did not delete any.

16 Q. Would you agree that it would be more  
17 reasonable for oral notification for it to be much  
18 simpler and straightforward than all the detailed  
19 disclosures required here?

20 A. The three we added we considered crucial to  
21 notifying the customer of their rights in  
22 negotiating a deposit.

1 Q. Moving on now to 280.50, Subparagraph D, as  
2 in dog --

3 A. What page, please. Sorry.

4 Q. I'm trying to find it here.

5 A. Sure.

6 Q. I wrote down the pages. It starts on  
7 Page 19 and (d) is actually on page --

8 A. This is billing now?

9 Q. Yes, it is. On Page 22.

10 A. Yes. Bill delivery, yes.

11 Q. JUDGE HILLIARD: Small "d" with parenthesis  
12 next to it?

13 MR. FOSCO: Right.

14 MR. FOSCO: Q. Now you partially discussed this  
15 with Mr. Fitzhenry, and I believe you indicated  
16 that, in general, you were okay that the written  
17 confirmation itself could be electronic as long as  
18 it's still something tangible.

19 A. Yes.

20 Q. So would you then not oppose language that  
21 would say in the rule, such as staff proposed, which  
22 may include written electronic acceptance?

1 JUDGE HILLIARD: What subparagraph are you  
2 referring to?

3 MR. FOSCO: In that Paragraph 3 under Staff's  
4 Exhibit A to its surrebuttal testimony, and it may  
5 have been an earlier version, because staff has  
6 clarified after "written confirmation, which may  
7 include written electronic acceptance."

8 MR. JOLLY: This is staff's surrebuttal?

9 MR. FOSCO: It might have been.

10 MR. FOSCO: Q. But that concept is similar to  
11 what you said.

12 A. I think we covered this twice. I said we  
13 were open for clarification. I guess I'm hesitating  
14 on exact words here.

15 Q. Conceptually would you agree with that  
16 concept?

17 A. Yes.

18 Q. And I know you tried to reduce questions on  
19 this. And I'm now moving on to 280.60, payment,  
20 this concept of "cost causers" being the cost payers  
21 that you discussed with Mr. Fitzhenry to some extent  
22 and maybe one or two of the other counsel.



1                   And I believe you testified earlier  
2 that, you know, it would be appropriate if the  
3 Commission were to approve rates that they implement  
4 that concept, and I think you said it's legally  
5 permissible. I wanted to go further than that and  
6 explore the extent of your opinion on that.

7                   Would you agree that it's not only  
8 potentially appropriate but that it is, in fact, one  
9 of the goals of public utility regulation to have  
10 cost causers to taxpayers?

11       A.       That's an off repeated phrase that has  
12 little meaning beyond the statement of some  
13 rhetorical advice to justify decision-making.

14                   Obviously, utility rates socialize many  
15 costs among customer classes and between customer  
16 classes, and it is appropriate for the Regulatory  
17 Commission, in my opinion, to explore the  
18 implications of imposing costs on all, but when it  
19 comes down to it, all other payment options are  
20 socialized. Our suggestion here is that this one  
21 also be socialized.

22       Q.       Is that a no? You don't accept that as a

1 policy?

2 A. I accept the fact that it is an off repeated  
3 phrase. What I don't understand is how it's  
4 connected to this issue here.

5 MR. FOSCO: Your Honor, I think I'm entitled to  
6 an answer to my question. I ask the witness be  
7 directed to answer as to whether she -- I'm just  
8 asking her how she treats it and does she accept it  
9 or not.

10 JUDGE HILLIARD: I believe she's answered it to  
11 the best of her ability and I suggest you move on.

12 MR. FOSCO: Okay.

13 MR. FOSCO: Q. I'm moving on now to Section  
14 280.110, Interest on Refunds and Credits,  
15 Subparagraph d, I guess. I guess my question is  
16 this. Do you have an opinion?

17 A. I was afraid someone would ask me a question  
18 on this section. I'll confess to you that this  
19 whole issue has been confusing for a lot of parties  
20 in this case.

21 Q. Well, do you have --

22 JUDGE HILLIARD: What section are you referring

1 to?

2 MR. FOSCO: D, as in dog, small d. Do you

3 have it?

4 JUDGE HILLIARD: Interest on refunds and credits?

5 MR. FOSCO: Correct.

6 JUDGE HILLIARD: On the bottom of Page 33?

7 MR. FOSCO: Yes, your Honor.

8 MR. FOSCO: Q. Do you have an opinion on whether  
9 interest should be paid on credit balances on budget  
10 payment plan amounts?

11 A. Interest should be paid?

12 Q. By this question, I'm just asking if you  
13 have an opinion.

14 A. Budget --

15 Q. Not part of your testimony.

16 A. Budget payment plans should pay interest on  
17 the balances held and not charge late fees on the  
18 other end either.

19 I believe that's our position in this  
20 case, but I have to refresh my opinion. But this  
21 has to do with refunds and credits that are not  
22 related to budget payment plans.

1 Q. That's my only question.

2 A. It's not related to that, no.

3 Q. I'm moving on to Section 280.120.

4 A. 120. Deferred payment arrangements?

5 Q. Yes, and renegotiation, which I believe is

6 Subparagraph L?

7 MR. JOLLY: On Page 38.

8 THE WITNESS: Renegotiation, yes.

9 JUDGE HILLIARD: That's Subparagraph K?

10 MR. FOSCO: Yes, K.

11 JUDGE HILLIARD: Page 38 at the bottom of the

12 page?

13 THE WITNESS: Right.

14 MR. FOSCO: Q. My question is would you agree

15 that that is an appropriate regulatory policy to

16 encourage customers to seek renegotiation before

17 rather than after they are in default status on

18 deferred payment arrangement?

19 A. Oh, ideally that would be wonderful, but

20 that doesn't happen, does it?

21 MR. FOSCO: Your Honor, I move to strike the last

22 portion.

1 THE WITNESS: I'm sorry.

2 MR. FOSCO: That wasn't my question.

3 JUDGE HILLIARD: Overruled.

4 THE WITNESS: I'm sorry. I was a little snide  
5 there in my reaction. I should not do that.

6 MR. FOSCO: Q. We are down to the paper notes.  
7 Referring back to payment options in  
8 your testimony or your cross-examination by  
9 Mr. Fitzhenry earlier, have you ever negotiated a  
10 fee directly with Visa, Master Card, or Discovery?

11 A. Me?

12 Q. You personally.

13 A. No.

14 Q. So you have no direct knowledge of how  
15 flexible or inflexible they would be in terms of  
16 negotiating fees they may require?

17 A. The fees that those companies impose on  
18 merchants? Is that the question we are talking  
19 about?

20 Q. I'm asking if you have any direct knowledge  
21 of that.

22 A. Nothing other than what I read in the

1 newspapers about those negotiations and concerns.

2 Yes. Sorry. No, I do not have any direct

3 knowledge.

4 Q. On this same topic of payment options, you

5 have testified about the words "promoted" and

6 "offered." You talked about payment options

7 promoted and offered by the utilities.

8 A. Yes.

9 Q. And my question is this, because I guess I

10 still am a little confused. Are there any

11 circumstances where a payment method would be

12 available but not promoted or offered by the

13 utility?

14 A. Probably not. I mean, what I'm trying to

15 say here is that you -- the utility now, not you

16 personally -- but the utility is listing all the

17 payment options to its customers on its website, and

18 its customer service reps are authorized to offer

19 these options to people, and those are the options

20 I'm referring to.

21 Q. And you are attempting to capture all of

22 those?

1       A.     Yes, I am.   Yes.   Thank you.

2       MR. FOSCO:   Your Honor, I have no further

3 questions.

4                   Thank you very much, Ms. Alexander.

5       THE WITNESS:   Thank you.

6       JUDGE HILLIARD:   Next questioner.

7       MR. JOLLY:    I think that's it.

8       MR. FOSCO:    We are down to zero.

9       JUDGE HILLIARD:   Peoples' are waiving its

10 cross-examination of the witness?

11       MR. FOX:     That's correct.

12       MR. BRAMLET:   Just a couple of questions for

13 clarification.

14       JUDGE HILLIARD:   Sure.

15                   CROSS EXAMINATION

16                   BY

17                   MR. BRAMLET:

18       Q.     Good afternoon.   My name is Eric Bramlet,

19 attorney for Mt. Carmel Public Utility Company.

20       A.     Yes.

21       JUDGE HILLIARD:   Could you pull the mic closer to

22 you.

1 MS. MCNEILL: Make sure the light's up.

2 MR. BRAMLET: Q. I have allergies and if I  
3 start coughing, please accept my apologies.

4 I just have a couple of questions to  
5 follow up on. You made some general comments  
6 earlier I think with Mr. Fitzhenry that you said  
7 that no utility has people come in and apply at  
8 their offices.

9 Would you accept the fact that  
10 Mt. Carmel Public Utilities keeps a customer service  
11 office and customers come in there, and that's  
12 typically the way they come in and apply, make  
13 arrangements for deferred payments and other types  
14 of services?

15 A. I was not aware of that, and I would be  
16 happy to accept that based on your comments.

17 Q. Thank you.

18 A. I don't think you had testimony in the case,  
19 so I'm not familiar with your needs and concerns  
20 here going in.

21 Q. We filed a brief direct testimony, but, yes.

22 A. Okay.



1 Q. Would you also accept that Mt. Carmel Public  
2 Utility Company serves about 5500 electric customers  
3 and 3500 or 3400 gas customers?

4 A. If you say so, I will accept that.

5 Q. Would that fall within your definition of a  
6 small utility?

7 A. It's certainly a legitimate proposal for you  
8 to suggest that, and I just don't want to put a  
9 number on it, but that sounds in the realm of  
10 reasonable to me.

11 Q. Thank you. You also made the general  
12 comment that you all -- being the utilities -- used  
13 credit cards. Is that a generalization or do you  
14 know that for a fact?

15 A. I am referring to most large utilities now,  
16 and a couple of the websites here in Illinois that I  
17 checked, and my experience in other states, but I am  
18 sure that that experience varies among the smaller  
19 utilities.

20 Q. One of the concerns or questions I have got  
21 is regarding the forms of ID. You said it's the  
22 customer's choice.

1                   If I were to walk into the office, if  
2 they have a customer service counter or portable  
3 dial phone, then you'll and have a birth certificate  
4 and a credit card, which I may have stolen from your  
5 house, how does that allow accurate and responsible  
6 identity of that applicant?

7       A.     Well, the staff has promoted this same list  
8 from the beginning, so you probably need to direct  
9 your comments to them frankly. We have not altered  
10 the list, and we have supported the staff's notion  
11 that it is the customer's choice.

12               In support of that position, I would  
13 offer you the following, which is that if there is  
14 any reason, based on these materials that you are  
15 given, to suspect that they are not what they seem,  
16 then, you know, I think you should take action to  
17 investigate it further. But for setting up utility  
18 service, you know, you have to take what comes  
19 through the door and get people on. There may be  
20 babies at home. There may be old people back home,  
21 whatever.

22               The utility service is pretty essential

1 and kind of a unique thing. And if you think that  
2 there's some fraud or identity theft going on, I  
3 think you need to report it to the authorities to  
4 pursue that matter independently.

5 Q. If you were a customer and you were being  
6 suspected of that, would you prefer that I ask you  
7 for your driver's license, or photo ID, or call the  
8 police and have you questioned or interrogated?  
9 Which do you prefer?

10 A. I guess I would be upset at the notion that  
11 my documentation was questioned. I would want to  
12 know why it was, and then we're into the individual  
13 circumstance that it's hard to write a rule out.

14 Q. But under this scenario, if someone walked  
15 in with a birth certificate and a credit card --

16 A. Sounds pretty good to me.

17 Q. -- and we ask you that we think there may be  
18 a problem, would you rather us call the police or  
19 just say, "Could you please present a photo ID?"

20 A. But why would you think it's a problem?

21 JUDGE HILLIARD: Why don't you answer his  
22 question.

1 MR. BRAMLET: Q. Based on just one or the other,  
2 please.

3 A. Let me try to be helpful. I'm not trying to  
4 be --

5 Q. Just answer the question.

6 JUDGE HILLIARD: You can answer the question and  
7 explain your answer, but answer his question.

8 THE WITNESS: The answer is I would prefer to  
9 have you ask for my photo ID.

10 MR. BRAMLET: Q. Thank you.

11 A. Okay. May I give my answer now and  
12 explanation?

13 Q. You can do it under redirect unless it's --

14 JUDGE HILLIARD: I indicated to the witness she  
15 can explain her answer. So you can explain.

16 MR. BRAMLET: I apologize.

17 JUDGE HILLIARD: Go ahead.

18 THE WITNESS: I think the issue is what led the  
19 utility to question the documents that appeared in  
20 front of them. Birth certificates have name and  
21 date of birth on them and you are sitting here with  
22 someone in front of you that meets the -- you know,

1 looks to be the age of the person who is on it. He  
2 has -- he or she has a credit card. There's a  
3 signature line on the credit card. You know,  
4 there's probably a written application form if  
5 they're in your office that they ask them to do to  
6 compare the two.

7                   If there is reason to suspect why you  
8 need to go to the next level, I'm all for asking for  
9 the information you just asked for.

10       MR. BRAMLET: Q. Ms. Alexander, were you a  
11 birther (phonetic) or not? I would withdraw that.  
12 Thank you.

13       MR. FOSCO: Your Honor, can I ask one follow up  
14 to that?

15       JUDGE HILLIARD: To what?

16       MR. FOSCO: That last question or last  
17 explanation.

18       JUDGE HILLIARD: Okay.

19                   RE CROSS EXAMINATION

20                   BY

21                   MR. FOSCO:

22       Q. You know, you refer to the signature on the

1 credit card. Are you aware of any other way that a  
2 utility could confirm an identity through a credit  
3 card, if a customer walks in, other than what you  
4 just mentioned about potentially having a customer  
5 sign a piece of paper to compare it?

6 A. You would look at the address on the -- no,  
7 there is no address on the credit card, right.

8 Q. Would you agree that credit card  
9 companies -- you just call them up -- won't give you  
10 background information, will they?

11 A. I hope they don't, but, yes, I agree with  
12 that.

13 Q. Thank you.

14 JUDGE HILLIARD: Any other questioners?

15 (No response.)

16 All right. Is there redirect?

17 MR. JOLLY: Just a few questions.

18 JUDGE HILLIARD: Okay.

19 REDIRECT EXAMINATION

20 BY

21 MR. JOLLY:

22 Q. Ms. Alexander, do you recall the

1 hypothetical that Mr. Pabian, on behalf of Com Ed,  
2 asked you regarding Customer A, who pays her bill on  
3 time, and Customer B, who's referred to as a  
4 "deadbeat?"

5                   Do you recall that Mr. Pabian asked you  
6 if Customer A would have to pick up part of any  
7 costs that the deadbeat's failure to pay that his  
8 actions cause?

9       A.     I do remember that.

10      Q.     Is that -- are you familiar with any other  
11 situations where businesses have similar  
12 arrangements where customers pick up or are  
13 responsible for costs imposed by other deadbeaters?

14      A.     Well, obviously, any business that operates  
15 on credit -- and, of course, credit card companies  
16 come to mind -- in which a bad debt is a normal  
17 business expense, it becomes the obligation of all  
18 credit card customers to pay the fees or the  
19 interest rate that the credit card company deems  
20 appropriate to make sure that it recovers those  
21 costs and others that it incurs and makes a profit  
22 on the business that it's operating.

1                   So there is nothing unique about the  
2 notion of having all customers pay for bad debt or  
3 uncollectibles.

4                   The unique part about utility service  
5 has to do with its essential nature and the fact  
6 that it's being provided by a monopoly and there are  
7 no options if you can't get a service from this  
8 utility.

9       Q.     Mr. Pabian also asked you a hypothetical and  
10 a series of questions about what customers -- which  
11 customer's interests you were representing when you  
12 took various positions.

13                  Were you asked by the members of the  
14 Governmental and Consumer Intervenors to take  
15 positions with respect to one group of customers  
16 versus another?

17       A.     No.   Our main interest or charge to me was  
18 to focus on the residential customers primarily and  
19 to develop and provide testimony on their behalf  
20 which, because of my national experience and  
21 practice, could reflect best practices from other  
22 states and similar issues in other state regulatory



1 consumer protection regulations.

2 Q. Mr. Fosco, on behalf of Nicor, asked you  
3 some questions about a phrase "cost causers."

4 Is it true that utility rates quite  
5 often average costs and not all costs are traced to  
6 cost causers?

7 A. Yes. The answer to that is yes.

8 MR. JOLLY: That concludes the questions that I  
9 have. I would like to mark as a redirect exhibit  
10 the Data Response AIU-GCI 1.38 that Mr. Pabian asked  
11 Ms. Alexander to read from, and I would like to  
12 enter the entire response into the record.

13 JUDGE HILLIARD: All right. No objection?

14 MR. PABIAN: No objection.

15 JUDGE HILLIARD: GCI -- tell me again. What is  
16 it --

17 MR. JOLLY: GCI Redirect Exhibit 1.

18 JUDGE HILLIARD: -- will be admitted into the  
19 record. You need to provide three copies to the  
20 clerk appropriately marked.

21 MR. JOLLY: Yes.

22

1  
2 (Whereupon, GCI Redirect  
3 Exhibit No. 1 was  
4 marked for  
5 identification.)  
6 (Whereupon, GCI Redirect  
7 Exhibit No. 1 was  
8 received in evidence.)  
9 JUDGE HILLIARD: Is that all?  
10 MR. JOLLY: That's it.  
11 JUDGE HILLIARD: Any recross from anybody?  
12 MR. PABIAN: Not from Com Ed.  
13 JUDGE HILLIARD: Thank you, Ma'am. You are  
14 excused.  
15 THE WITNESS: Thank you very much.  
16 MR. JOLLY: Thank you.  
17 MR. PABIAN: Thank you.  
18 JUDGE HILLIARD: You want to take a break before  
19 the next witness? Five minutes?  
20 (Whereupon, a five-minute  
21 break was taken.)  
22 Shall we go back to work here, please.

1 MR. PABIAN: Your Honor, Mr. Walls was sworn this  
2 morning.

3 JUDGE HILLIARD: On behalf of the Illinois  
4 Commerce Commission, we are going to reconvene here,  
5 please. Please be quiet and be seated.

6 Charles S. Walls?

7 MR. WALLS: Yes.

8 JUDGE HILLIARD: Mr. Walls, I know you were here  
9 this morning and you were previously sworn. The  
10 company's going to tender you for cross-examination  
11 in a minute.

12 Do you have some preliminary questions,  
13 Mr. Pabian?

14 MR. PABIAN: Yes, your Honor.

15 JUDGE HILLIARD: Please, go ahead.

16 CHARLES E. WALLS,  
17 called as a witness herein, having been first duly  
18 sworn, was examined and testified as follows:

19 DIRECT EXAMINATION

20 BY

21 MR. PABIAN:

22 Q. Mr. Walls, in front of you there is a copy

1 of a document labeled, "Direct Testimony of Charles  
2 Walls" in 17 pages.

3                   Was that direct testimony prepared by  
4 you or under your direction?

5       A.     Yes.

6       Q.     And if I ask you the -- I'll ask you this  
7 question with respect to your rebuttal and  
8 surrebuttal testimony as well. But is it correct to  
9 say that Com Ed's position on one or more of the  
10 issues that were articulated with your testimony  
11 have changed since the issuance of staff's  
12 surrebuttal testimony and that the changes, and  
13 comments, and positions will be reflected on a  
14 document that's being circulated and will be  
15 provided to the judge in this case?

16      A.     That is correct.

17      Q.     And with that exception, if I ask you the  
18 same questions that are presented in your direct  
19 testimony today, would your answers be the same?

20      A.     Yes.

21      Q.     And then before you also then is listed as  
22 Com Ed Exhibit -- by the way, that first document

1 was listed as Com Ed Exhibit 1.0.

2 Also, in front of you is Com Ed Exhibit  
3 2.0, "Rebuttal Testimony of Charles S. Walls" in 36  
4 pages. And was that prepared by you or under your  
5 direction?

6 A. That is correct.

7 Q. And with the caveat that I just mentioned,  
8 if I were to ask you the same questions listed  
9 therein today, would your answers be the same?

10 A. Yes, they would.

11 Q. And then also in front of you denominated as  
12 Com Ed 3.0 is the "Surrebuttal Testimony of Charles  
13 S. Walls" in 45 pages. Is that the surrebuttal  
14 testimony drafted by you or under your direction in  
15 this case?

16 A. Yes, it is.

17 Q. And, subject to the conditions I mentioned  
18 previously, if I ask you those same questions today,  
19 would your answers be the same?

20 A. Yes.

21 Q. And then also in front of you is a document  
22 entitled, "Com Ed Exhibit 3.1," which is the

1 suggested changes to staff's draft proposal of Part  
2 280.

3 Does that appropriately reflect,  
4 subject to the conditions previously mentioned, the  
5 company's -- Com Ed's position on the proposed  
6 changes to Part 280 proposed by staff in this case?

7 A. Yes.

8 MR. PABIAN: Your Honor, at this time I would  
9 offer into evidence Com Ed Exhibits 1.0, 2.0, 3.0,  
10 and 3.1.

11 (Whereupon, Com Ed  
12 Exhibit Nos. 1.0, 2.0,  
13 3.0 and 3.1 were  
14 marked for  
15 identification.)

16 JUDGE HILLIARD: Any objection?

17 (No response.)

18 Hearing no objection, Com Ed Exhibits  
19 1.0, 2.0, 3.0, and 3.1 will be admitted into the  
20 record.

21

22

1

2

(Whereupon, Com Ed

3

Exhibit Nos. 1.0, 2.0,

4

3.0, and 3.1 were

5

received in evidence.)

6

And I believe you have indicated that

7

electronic copies have been filed on e-docket.

8

MR. PABIAN: Yes, electronic copies of all of

9

those documents were filed, your Honor.

10

With that, your Honor, Mr. Walls is

11

available for cross-examination.

12

JUDGE HILLIARD: Okay. The first questioner

13

is --

14

MR. COFFMAN: AARP is prepared.

15

JUDGE HILLIARD: Okay.

16

CROSS EXAMINATION

17

BY

18

MR. COFFMAN:

19

Q. Good afternoon, Mr. Walls.

20

A. Good afternoon.

21

Q. My name is John Coffman. I'm representing

22

AARP here today.

1                   I understand from your testimony that  
2 you are vice president of Customer Revenue Assurance  
3 for Commonwealth Edison.

4       A.     That is correct.

5       Q.     And in that capacity, your responsibility, I  
6 assume, is generally to maximize the amount of  
7 revenue that Com Ed is entitled from customers?

8       A.     Yes.

9       Q.     Does the scope of your responsibility with  
10 Com Ed include any responsibility regarding the  
11 health and safety of the customers?

12      A.     Can you be more specific?

13      Q.     Would you agree with me that having been  
14 granted a public utility status that the utility you  
15 work for has an obligation to provide safe and  
16 adequate service to its customers?

17      A.     That is correct.

18      Q.     Is the provision of safe and adequate  
19 service a part of your responsibilities under  
20 your --

21      MR. PABIAN: Are you asking him if he is  
22 responsible for like the safety of electric lines



1 out in the field?

2 MR. COFFMAN: Anything related to health and  
3 safety of your customers.

4 THE WITNESS: I would say generally, no.

5 MR. COFFMAN: Q. I note in your surrebuttal  
6 testimony on Page 3 you take issue with the proposed  
7 language in Part 280 that would refer to electric  
8 service as essential service; is that fair?

9 A. That is correct.

10 Q. And you are not an attorney, correct?

11 A. That is also correct.

12 Q. But it's your opinion that there is nothing  
13 in Illinois law that denotes electric service as an  
14 essential service?

15 A. That is -- well, it depends on one's  
16 definition of essential and how you would define  
17 that.

18 Q. Is it your belief that there is no -- that  
19 the word "essential" is not used anywhere in the  
20 controlling law or regulations governing  
21 governmental operations, if you know?

22 A. I really don't know. I really can't address

1 that.

2 Q. Would you acknowledge that the Illinois  
3 Commerce Commission has a responsibility to set some  
4 minimum standards regarding disconnection practices  
5 in order to protect the health and safety of the  
6 public?

7 A. Based on my understanding of Part 280, I am  
8 not aware of any such provision that specifically  
9 speaks to addressing the health and safety of  
10 customers.

11 Q. Do you believe that Com Ed has any  
12 responsibility generally when it engages in the  
13 disconnection procedures to protect the health and  
14 safety of customers to some degree?

15 A. Yes, to some degree.

16 Q. Are you -- are you aware of situations where  
17 the health and safety of customers have been or --  
18 I'm sorry. Let me rephrase that.

19 In your time with Com Ed, are you aware  
20 of any situations where, due to the alertness of a  
21 Commonwealth Edison employee, the health and safety  
22 of customers have been protected or alleviated in

1 some way because of field visits?

2 A. I'm not aware of a specific case.

3 Q. Were you employed by Commonwealth Edison in  
4 1985?

5 A. Yes, I was.

6 Q. Do you recall the terrible heat wave that  
7 resulted in hundreds of deaths here in Chicago  
8 during that period?

9 A. Vaguely.

10 Q. Would you acknowledge that --

11 A. It is my recollection that we had some  
12 extremely abnormal weather at that point in time.

13 Q. Did you have your current position or were  
14 you in an accounting position?

15 A. I was probably in some accounting position  
16 back in 1985.

17 Q. Would you acknowledge that during periods of  
18 extreme heat and extreme cold that the lack of  
19 electric service can create health and safety  
20 problems?

21 A. Without a doubt, there's statutory rules  
22 that basically govern when utilities can perform a

1 disconnect when there are extreme temperatures, so  
2 absolutely we are aware.

3 Q. Would you acknowledge that having your  
4 electric service disconnected during those periods  
5 can lead or contribute to health and safety issues?

6 A. Yes. And that's why there's statutory  
7 limitations around performing disconnections during  
8 those conditions.

9 Q. Now you were never an employee who actually  
10 participated in a field visit, I assume; is that  
11 correct?

12 A. I have been out to the field.

13 Q. And I assume --

14 A. I never performed a service disconnect, but  
15 I've been to the field.

16 Q. Okay. Would you acknowledge that or would  
17 you agree some customers may have difficulty  
18 understanding disconnection procedures or the  
19 significance of the notice they receive in writing  
20 due to some physical or mental limitations?

21 A. I'm not aware of that specifically, no.

22 Q. Are you aware of situations where

1 Commonwealth Edison attempts to contact a customer  
2 by phone regarding a pending disconnection and has  
3 difficulty reaching that customer because that phone  
4 service has been disconnected or changed?

5 A. Yes. I know there's instances when we call  
6 a customer and we are unable to make contact with  
7 the customer.

8 Q. Is it possibly more likely that someone's  
9 phone service might be disconnected if, in fact,  
10 they're facing disconnection issues with the  
11 electric company?

12 A. I really can't speak to that. I don't know  
13 the likelihood that anyone would be billed on their  
14 telephone bill relative to their electric bill. I  
15 just don't have any information on that.

16 Q. Is it true that Commonwealth Edison has  
17 changed its practices regarding field visits and the  
18 degree with which it attempts to contact customers  
19 personally within the last few years?

20 A. No, I'm not aware of any changes in  
21 practices in recent years.

22 Q. Are you aware of disputes regarding

1 interpretation of the current direct-contact rule  
2 between Commonwealth Edison, and the Attorney  
3 General's Office, and AARP?

4 A. Yes. I know there's been some discussion  
5 around the requirements of the current rules.

6 Q. Would it be fair to characterize the  
7 disagreement as a matter of interpreting of the  
8 current rule?

9 A. I would say that would be fair.

10 JUDGE HILLIARD: Mr. Walls, would you pull that  
11 mic a little closer to you. I'm having trouble  
12 hearing you sometimes.

13 MR. COFFMAN: Q. Could you categorize the nature  
14 of the interpretation dispute that we have.

15 MR. PABIAN: Are you asking this witness to talk  
16 about the legal interpretation dispute that has been  
17 going on between --

18 MR. COFFMAN: Since he's not an attorney, I'm  
19 obviously not asking a legal opinion, but the  
20 disagreement about the actual practice.

21 THE WITNESS: You know, there's been some  
22 discussions and disagreements with respect to the

1 current interpretation of that language about what  
2 those rules require upon a visit to the field.

3 Q. Would you agree with me that the current  
4 rule does require direct contact with the customer?

5 A. No.

6 Q. Would you agree that the current rule  
7 requires contact with the customer at the time of  
8 disconnection?

9 A. No, not necessarily.

10 Q. Do you have a copy of the current Part 280  
11 rules in front of you?

12 A. No, I do not.

13 Q. Are you familiar with the clause in Part  
14 280.130, Subpart B, that requires contact, quote,  
15 "at the time service is being disconnected?" Does  
16 that provision ring a bell?

17 A. I have heard of that provision.

18 Q. Is it your interpretation that that does not  
19 require a knock on the door of the customer?

20 A. Yes.

21 Q. To what extent does the rule require contact  
22 or what activity do you believe the rule does

1 require currently?

2 A. When we enter the premises for a customer,  
3 we often announce our presence, in fact, that we are  
4 there.

5 Q. You announce your presence face to face with  
6 the customer?

7 A. Not necessarily face to face.

8 Q. How far away would you say a worker would  
9 be?

10 A. We are generally near the meter.

11 Q. Is that the so-called "shout from the yard"  
12 basically?

13 A. I don't know about "shout from the yard."  
14 We do an outside presence.

15 Q. What exactly is announced?

16 A. Well, you know, we indicate that the  
17 electric company is present on the property,  
18 basically announce Com Ed is here.

19 Q. Is that announcement in a regular voice? Do  
20 you shout it out loudly?

21 A. I don't know that we have, you know, any  
22 mandated procedures around exactly what the tone



1 should be or how loud it should be, but I do know we  
2 have asked our employees to announce their presence  
3 when they enter onto a customer's property.

4 Q. Is the worker expected to use the voice loud  
5 enough that someone inside the residence might hear  
6 it?

7 A. I would think that if someone is inside the  
8 premise it's conceivable that they would hear our  
9 field personnel make that announcement.

10 Q. Are you aware of other electric utilities in  
11 Illinois that interpret the current Part 280  
12 disconnection rule differently?

13 A. No, I'm not.

14 Q. Are you aware of a dispute regarding this  
15 direct contact with customers issued in Commonwealth  
16 Edison's AMI case in Docket No. 09-0263?

17 A. I am aware of the issue, yes.

18 Q. And there was a dispute between Commonwealth  
19 Edison and the Illinois Commerce Commission about  
20 what was required in that case, correct?

21 A. That is correct.

22 Q. And would it be fair to say that

1 Commonwealth Edison expressed to the Commission in a  
2 brief on exceptions that it should not be required  
3 to make direct contact at time of disconnection with  
4 regard to the AMI program that was approved in that  
5 docket?

6 A. I'm sorry. What was your question again?

7 Q. Now I have lost my train of thought.

8 A. Sorry. You lost me.

9 Q. In that case, did Commonwealth Edison ask  
10 the Illinois Commerce Commission for permission to  
11 not make direct contact with regard to AMI?

12 A. I believe so.

13 Q. And the Illinois --

14 MR. PABIAN: Wait. Wait. Wait. I would object  
15 to the question, because I think it's a  
16 mischaracterization of what was in the reply brief  
17 on exceptions. I don't think this Commission was  
18 asked at all.

19 MR. COFFMAN: You can maybe explore that further  
20 on redirect.

21 MR. PABIAN: Do you have a copy of the brief  
22 there so that we can --

1 MR. COFFMAN: I don't. I don't have that here.

2 JUDGE HILLIARD: Well, there was an answer. He's  
3 made his answer. He answered the question. You  
4 want to do some --

5 MR. COFFMAN: Q. Without getting any further in  
6 that case, you would agree with me that the Illinois  
7 Commerce Commission rejected Com Ed's request in  
8 that case, correct?

9 A. I'm not aware of the outcome of that  
10 proceeding.

11 Q. All right. Is it Com Ed's goal to reduce as  
12 much as possible the personal interaction between  
13 its employees and customers in order to reduce cost  
14 of service?

15 A. No. We welcome the opportunity to interact  
16 with our customers when it's appropriate to do so.  
17 We don't limit just from a standpoint trying to  
18 minimize cost.

19 MR. COFFMAN: That's all that I have. Thank you.

20 JUDGE HILLIARD: Okay. Next questioner, please.

21

22

1

2

CROSS EXAMINATION

3

BY

4

MR. REDDICK:

5

Q. Good afternoon, Mr. Walls. My name is

6

Conrad Reddick and I represent the City of Chicago.

7

A. Good afternoon.

8

JUDGE HILLIARD: You are also representing the

9

GCI intervenors?

10

MR. REDDICK: I guess when we submitted our cross

11

estimates we submitted them combined so that the

12

planning for the hearings could proceed with as

13

little deviation as possible. We didn't specify

14

specific amounts for each party. That's why the

15

schedule shows GCI.

16

JUDGE HILLIARD: And the answer to my question

17

is what?

18

MR. REDDICK: City of Chicago.

19

JUDGE HILLIARD: Okay.

20

MR. REDDICK: Q. Mr. Walls, since you are not

21

scheduled to appear at the June hearings, this may

22

be my only time to talk to you.

1                    Could you tell me what the changes are  
2 going to be that are different from your surrebuttal  
3 testimony? Mr. Pabian indicated that the changes  
4 coming later are having to do with surrebuttal  
5 testimony.

6                    Would Com Ed change its position? What  
7 are the changes in its position?

8        MR. PABIAN: The big one is the PAL.

9        THE WITNESS: As Mike indicated, we will probably  
10 revise our position with respect to PAL.

11       Q. And what is your revised position?

12       A. That we are going to accept the staff's  
13 position.

14       Q. The staff's position as --

15       A. As stated in their rebuttal testimony.

16       MR. PABIAN: Surrebuttal.

17       MR. REDDICK: Q. Staff's surrebuttal.

18       JUDGE HILLIARD: PAL is an acronym?

19       THE WITNESS: It's an acronym for payment  
20 avoidance location.

21       MR. PABIAN: By location.

22       MR. REDDICK: We will save ourselves in here.

1 MR. REDDICK: Q. You spoke with Mr. Coffman  
2 about your responsibilities at Com Ed, and I notice  
3 he focused on your title which had revenues in it.  
4 Does that indicate that you have no direct  
5 responsibility for customer service operations?

6 A. No. No, that would not be a fair  
7 interpretation. Some of my responsibilities involve  
8 activities that directly relate to our customers.

9 Q. Would the customer service representatives  
10 who handle applications and other things fall within  
11 your supervision?

12 A. Not CSRs, no.

13 Q. What operations did you have in mind when  
14 you said they were customer operations that you did  
15 supervise?

16 A. I lead our representative management  
17 function.

18 Q. I'm sorry?

19 A. I lead our management function.

20 Q. I'm sorry. I didn't hear.

21 A. I lead our revenue management function and  
22 activities that occur within that group that involve

1 having interactions with customers.

2 Q. Such as?

3 A. Such as they have conversations with them  
4 about credit and about credit eligibility around  
5 payment issues. These are generally inquiries that  
6 flow into this group by way of our CSRs, but there  
7 are instances where they're interacting directly  
8 with customers, and those customers did not  
9 necessarily come to them by way of our CSRs.

10 Q. Okay. You are aware that many of the Part  
11 280 activities do go through the CSRs as customers  
12 interface for Com Ed?

13 A. That is correct, that they could come  
14 through CSRs or they could come through our other  
15 channels.

16 Q. Did you undertake any particular  
17 investigation or familiarizations with the CSR  
18 processes in preparing your commentary on the  
19 Part 280 Rule?

20 A. To a great extent, because of the  
21 responsibility that I have in my current role, I  
22 provide some governance of those activities.

1 Q. You provide some -- I missed the word.

2 A. I provide governance of the activities that  
3 are undertaken by CSRs. In other words, we  
4 basically craft the policies and procedures that  
5 they follow.

6 Q. Policies and procedures?

7 A. Yes.

8 Q. So that these specific reactions or  
9 processes that these CSRs would go through are  
10 defined by people that work for you?

11 A. Not all of them.

12 Q. Not all of them?

13 A. Not all of them.

14 Q. The only ones having to do with credit?

15 A. With generally credit.

16 Q. I notice in your testimony that one of your  
17 responsibilities is dealing as the Com Ed liaison  
18 with consumer advocacy or customer advocates.

19 A. That is correct.

20 Q. You meet with those advocates in connection  
21 with 280?

22 A. Not specifically. I meet with them



1 quarterly. I can't say that was every agenda item  
2 specifically discussed any of the changes as relates  
3 to Part 280.

4 Q. Who sets the agenda for those meetings?

5 A. It's generally set by me. I put it out for  
6 comment and we do allow for agenda items to be added  
7 by other parties at the meeting.

8 Q. Just for clarification, you said the major  
9 change was PAL. Are there other changes as well?

10 MR. PABIAN: None come to mind.

11 THE WITNESS: I'm trying to think.

12 MR. PABIAN: The one that -- the reason I say  
13 this is, just to get you an answer to your question,  
14 I'm the one that fills out the outline. I'm trying  
15 to remember. I don't think there's another. There  
16 may have been. That was for the major one. I don't  
17 think there was another one though.

18 MR. REDDICK: We can move on.

19 MR. PABIAN: And I apologize about that, because  
20 I was the one that was filling out the outline that  
21 was circulated around.

22 MR. REDDICK: Q. Let's turn to the rules

1 themselves, 280.05, the policy statement.

2 A. Okay.

3 Q. And if I'm correct, the last version of --  
4 last comment position was that this provision should  
5 be deleted.

6 A. Yes.

7 Q. Does Com Ed object to a requirement in the  
8 rules of good faith and fair dealing?

9 A. I'm sorry. I didn't hear.

10 Q. Does Com Ed object to a requirement in the  
11 rules of good faith and fair dealing?

12 A. No.

13 Q. Are provisions for waivers of ICC rules per  
14 se objectionable to Com Ed?

15 A. No.

16 Q. Is Com Ed opposed to utilities offering more  
17 service to customers than is required by Commission  
18 rules?

19 A. We have no issues with that. We view the  
20 rules as the minimum standards.

21 Q. And but Com Ed is opposed to an express  
22 statement authority for a utility to provide its

1 ratepayers more service than is required by the  
2 Commission rules?

3 A. We just want clarity.

4 Q. So your objection to that question is  
5 clarity?

6 A. Yes, clarity in the context of Part 280.

7 Q. Help my recollection here. The only thing  
8 that I recall seeing where you sought clarification  
9 was the meaning of the term "essential." Is there  
10 some other portion of that section that requires  
11 clarification?

12 A. We talked about the whole notion of harm --

13 Q. Okay.

14 A. -- and needing some clarity around that  
15 definition as well.

16 So for us, as it related to that  
17 section, it was really we were trying to understand  
18 why it was necessary in the first place and wanted  
19 to be comfortable with the terminology adherent in  
20 that section.

21 Q. I think I understand. But the rule as  
22 proposed would not require Com Ed to do anything it

1 wasn't planning on doing anyway that is in good  
2 faith?

3 A. That's probably true. Again, we just wanted  
4 to understand that.

5 Q. Okay. What Mr. Coffman also asked you had  
6 to do with -- for lack of a better word -- "prior  
7 authorization" of customer service and revenue  
8 maximization, something along those lines.

9 Do you recall the discussion along  
10 those lines?

11 A. He asked me a question I believe around is  
12 it my job to maximize --

13 Q. He did ask you --

14 A. -- something.

15 Q. I thought he asked another one, but we can  
16 ask our own questions.

17 A. Okay.

18 Q. Would you take a look at your surrebuttal  
19 testimony at Line 63.

20 A. Okay.

21 Q. And the sentence that begins there compares  
22 tone and focus for maximizing -- minimizing

1 uncollectibles and minimizing disconnections, and I  
2 guess my question to you there is whether that  
3 testimony means that you place minimization of  
4 uncollectibles ahead of minimization of  
5 disconnections or is it vice versa?

6 A. I don't think either. For us, it's a matter  
7 of, you know, how do we balance out the need to  
8 protect customers who have not paid for electric  
9 service versus those who are paying for those  
10 services. That's our dilemma.

11 Q. So Com Ed did not place minimization of  
12 uncollectibles ahead of minimization of the loss of  
13 service for customers?

14 A. No.

15 Q. And did you evaluate the rules when you were  
16 making your comments on the rules with a hierarchy  
17 of one or the other --

18 A. No, we did not.

19 Q. -- in place?

20 A. No, we did not.

21 Q. You did not?

22 Let's move on to 280.220, the

1 definition section, and I refer you specifically to  
2 the definition of applicant.

3 A. Okay.

4 JUDGE HILLIARD: What's the page number?

5 THE WITNESS: Where are you at?

6 MR. REDDICK: I'm sorry. I'm in Exhibit 3.1.

7 MR. PABIAN: 3.1.

8 THE WITNESS: Which page?

9 MR. REDDICK: That would be Page --

10 THE WITNESS: 7?

11 MR. REDDICK: -- 4 of 67.

12 THE WITNESS: Okay.

13 MR. REDDICK: Q. The last sentence of that  
14 definition of the term "applicant" reads:

15 "Successful applicant immediately becomes customer."

16 Could you tell me when an application  
17 is successful?

18 A. An application becomes successful when we  
19 are able to validate the customer that we are  
20 putting on record for that premises. Once we  
21 successfully authenticated who we are placing on  
22 service, that application is approved and the

1 customer becomes a customer of record.

2 Q. If I had to list the objective criteria for  
3 when an application is successful -- when these  
4 x-number of things happen, the application is  
5 successful, could you tell me what those criteria  
6 are?

7 A. It depends on the case in front of us. It's  
8 not always the same sequence of events or  
9 documentation that comes forward, so you really have  
10 to look at it on a case-by-case basis, but an  
11 application becomes approved once we are satisfied  
12 that we know exactly who we are putting on service  
13 for that premises.

14 Q. I don't want there to be confusion. You are  
15 not suggesting that the identity of the applicant is  
16 the only thing you check to make an application  
17 successful?

18 A. No. That's part of it. That's part of it.

19 Q. Okay. But for the application itself to be  
20 successful or complete -- I guess the term  
21 "successful" -- I'm trying to identify the objective  
22 things that I can check off and say you have now met

1 the required criteria for a successful application.

2 I would like to know what those are.

3 A. It depends. It depends. And I think to a  
4 great extent we are following the requirements of  
5 Part 280 in terms of documentation that we are  
6 asking for.

7 We tend to seek a higher level of  
8 validation when we are signing up a customer at a  
9 premises where there's been disconnection. We want  
10 to make sure that the new customer that we are  
11 putting on record is, in fact, a customer who's  
12 benefitting from the service prior to disconnection.  
13 So we do put a little bit more rigor in the process,  
14 for instance, in that circumstance.

15 Q. Okay. Maybe I should separate my question  
16 from prior discussions having to do with  
17 identification.

18 We're headed that way. That isn't  
19 where I was trying to go. I'm not focused on  
20 identification. I'm just trying to identify a list  
21 of criteria, one of which obviously is  
22 identification.



1       A.     For instance, in the example I just cited,  
2 we would be looking for lease documentation. We  
3 would be looking for change of ownership  
4 documentation, something that would show that the  
5 applicant that's in front of us isn't the applicant  
6 that we -- or wasn't the customer that we  
7 disconnected at the premises.

8       Q.     Are there things beyond identity of the  
9 customer that you look at?

10      A.     Yes. As I just indicated, we are looking at  
11 lease documentation. We are looking at mortgage  
12 information.

13      Q.     Doesn't that go to identification of the  
14 customer or is that for a different purpose?

15      A.     I'm trying to help you understand whether  
16 that customer was at the premises at the time when  
17 we were performing the disconnection.

18      Q.     I'm sorry?

19      A.     What I was citing was an example where we do  
20 ask our customers for some ID, additional  
21 documentation other than beyond such documentation  
22 that we would validate their personal identity.

1       Q.     Okay.  Let's set that aside.  Let's take a  
2 new situation.  Brand new customer just came to town  
3 calls Com Ed, wants to apply for service.  What  
4 things does that customer need to check off to say  
5 my application is successful?  I am now a customer.

6       A.     Well, what we are asking them for is some  
7 personal identification.  And if that's acceptable,  
8 the application is approved.

9                       However, if we have validated the  
10 individual's identity but they're still -- there has  
11 been a service disconnection at the premises, we  
12 will engage in another layer of validation to insure  
13 again that that new applicant isn't the old  
14 customer.  So in certain situations, we will ask for  
15 additional documentation.

16      Q.     Is there any way for a customer to know that  
17 his application is now successful other than  
18 Com Ed saying you are now a customer?

19      A.     No, because they have to go through the  
20 process and we have to validate the information and  
21 documentation that they provide to Com Ed.

22      Q.     Moving along to 280.30, the actual

1 application, you propose that a telephone number be  
2 required. What does Com Ed do for applicants that  
3 do not have a telephone?

4 A. There are other means to indicate a customer  
5 other than through the telephone. We thought that  
6 since a telephone is one of the notification options  
7 embedded in the proposed rule that we thought it  
8 made perfect sense or logical sense to ask for that  
9 information.

10 Q. But that item of information was designated  
11 optional and you propose to make it non-optional?

12 A. Yes.

13 A. That is correct.

14 Q. So if I don't have one, how do I comply with  
15 that requirement of the rules for my application?

16 A. It's my understanding that that wasn't the  
17 only information that we were asking for. We are  
18 looking for a telephone number, if one exist. If  
19 one doesn't exist, we are open to getting an e-mail.

20 Q. It's my understanding that the customer  
21 could choose to communicate with Com Ed via e-mail  
22 in this case; is that correct?

1       A.     That is correct.

2       Q.     So I'm having trouble understanding why the  
3 telephone number needs to be mandatory.

4       A.     Well, again, because, as proposed under the  
5 new rules, there are the options of calling our  
6 customer in certain situations, and we thought that  
7 by requiring a telephone number it would enable us  
8 to better make that obligation under the rule.

9               The new rule requires, in certain  
10 circumstances, for us to make phone contact with the  
11 customer and it's difficult to do that when we don't  
12 have a phone number.

13      Q.     Would it be accurate to say that what you  
14 are expressing is a very strong preference to have a  
15 telephone number but it's not required to complete  
16 the application or get service?

17      A.     Not today, it isn't.

18      Q.     As you propose the -- I'm trying to get --  
19 let me back up a minute. When I read your striking  
20 of the word "optional," it became mandatory in my  
21 mind. If that is inaccurate, I would like to  
22 explore exactly what it means.

1       A.     Well, what we had in mind was basically a  
2     requirement that if the customer had a phone number,  
3     they would provide it. I don't believe that we were  
4     seeking, you know, a phone number in instances where  
5     no phone with the customer at the premises.

6       Q.     And in the situation where there is a phone  
7     number but the customer chooses to be contacted by  
8     e-mail, would that be acceptable?

9       A.     Absolutely. Absolutely.

10      Q.     Again, in the application section, this  
11     question has to do with activation of service. Is  
12     it Com Ed's position that four calendar days to  
13     activate service is an unreasonable period?

14      A.     Yes, particularly in calendar situations  
15     involving holidays that fall on Monday. We believe  
16     it's much more reasonable to have a rule that's  
17     based upon calendar days or business days, which is  
18     calendar days.

19      Q.     You have told me you think it's more  
20     reasonable to make it business days instead of  
21     calendar days. But why is that more reasonable?

22      A.     Why is it more reasonable? Particularly in

1 situations where you have a holiday on a Monday,  
2 because oftentimes when we don't have personnel  
3 available over the weekend to do restorations or  
4 doing non-emergency field work, and then we do tend  
5 not to schedule field personnel on holidays, and so  
6 what we were suggesting was a rule that would be a  
7 little bit more practical in this instance by  
8 recognizing that holidays are calendar days but  
9 really don't give us a productive option to be  
10 working in the field.

11 Q. So your assessment of reasonableness then is  
12 within the context of your current scheduling  
13 policies and staff levels?

14 A. That is correct. We work around those.

15 Q. I'm sorry?

16 A. Yes, we are being mindful of the staffing  
17 levels that we have available over the weekend and  
18 during the holidays.

19 Q. Well, let's take the holiday weekends. Your  
20 proposal is to sub- -- I'm sorry -- to substitute  
21 four calendar days. I believe your proposal is  
22 three business days or two business days?

1       A.     Three business days.

2       Q.     Three business days.

3                     You do recognize that in a situation  
4 where Com Ed has three business days to activate  
5 service and there is an instance of a holiday  
6 weekend that a customer could be without utility  
7 service for as long as five or six days?

8       A.     I'm sorry. I didn't track you with that.

9       Q.     Consider the situation you described to me,  
10 a holiday weekend and Com Ed has three business days  
11 to activate service for a new customer.

12                    If the customer's application is deemed  
13 successful on the -- let's say there's a Friday,  
14 Saturday, Sunday holiday weekend -- Friday,  
15 Saturday, Sunday, holiday weekend -- and the  
16 customer service is approved on Wednesday, three  
17 calendar -- I'm sorry. Three business days could  
18 mean that the customer has to wait for service until  
19 the following Tuesday, almost an entire week.

20       A.     I would think that that doesn't happen  
21 often, but in your example it's conceivable.

22       Q.     So we have the situation of a holiday

1 weekend. We'll either have things that are  
2 inconvenient for Com Ed or things that are  
3 inconvenient for the customer waiting for service.

4                   How do you resolve that balance?

5       A.     Well, first of all, given our commitment to  
6 restore or connect service for a customer as  
7 expeditiously as we can, we really make reference to  
8 something more unusual, extreme situations involving  
9 the calendar where the four-day proposed rule could  
10 be problematic.

11                  That's the situation we are attempting  
12 to address by suggesting that the rule be premised  
13 on calendar days as opposed to being premised on  
14 business days.

15       Q.     Do you recall what the penalty to Com Ed is  
16 if you exceed the activation period of four calendar  
17 days in the proposed rule?

18       A.     I believe there's a requirement for some  
19 type of service credit, but I don't -- I would have  
20 to locate it in the rule. I cannot cite that off  
21 the top of my head. I believe there's a requirement  
22 to provide some type of service.



1 Q. You have the rule before you?

2 A. Which?

3 Q. We are still on the same rule.

4 A. Okay.

5 Q. Subsection J.

6 MR. PABIAN: Give me the page number.

7 MR. REDDICK: I'm sorry. Page 11 of 67.

8 THE WITNESS: Okay.

9 MR. REDDICK: Q. Subsection J-4.

10 A. Okay.

11 Q. You see there that the penalty for not

12 meeting the activation time line is a prorated

13 portion of the monthly customer charge?

14 A. Yes.

15 Q. Do you know what your monthly customer

16 charge is?

17 A. Actually, I don't. I could speculate. I

18 probably should not.

19 Q. You can use mine if that's okay.

20 A. Go right ahead.

21 Q. Let's -- for round numbers, let's say it's

22 \$10.

1       A.     Okay.

2       Q.     So if Com Ed is late by two days in  
3 installing service beyond the application period,  
4 whatever is eventually required by the rule, the  
5 penalty that Com Ed would credit to the customer  
6 would be 2 over 30 times \$10.

7       A.     Okay.

8       Q.     Okay. Less than a dollar, correct?

9       A.     I didn't do the math, but if that's the way  
10 the math works out.

11      Q.     Take a moment. It's not that hard.

12      A.     It sounds about right.

13      Q.     Okay. So if Com Ed is late in providing  
14 activation, because the rule is written in calendar  
15 days instead of business days, Com Ed pays a penalty  
16 of, let's say, half a dollar a day, being generous.

17      A.     Okay.

18      Q.     If a customer has to wait, because the rule  
19 gives Com Ed an extra day or two to provide service,  
20 that customer is without service until he's turned  
21 on, correct?

22      A.     That is correct.

1 Q. Okay.

2 A. And Com Ed is also foregoing revenues each  
3 day, it's not connecting customers for service and  
4 doesn't establish an account for that customer. So  
5 there's revenue implications if we don't connect  
6 that customer's establishment.

7 Q. And how much revenue do you think the  
8 residential customer would give you in two days?

9 A. Depends on the consumption.

10 Q. Big user?

11 A. It is hard for me to say.

12 Q. So we have no comparison.

13 A. I have no number.

14 Q. I would like to turn to the exception to the  
15 activation period requirement for a temporary  
16 unanticipated overload situation.

17 A. Where specifically are you at?

18 Q. I'm sorry?

19 A. Where specifically are you?

20 Q. Sub 7, same thing.

21 JUDGE HILLIARD: Page 11, the bottom of the page.

22 THE WITNESS: Got you.

1 MR. REDDICK: Q. Okay. Does Com Ed interpret  
2 the phrase "temporary unanticipated overload" to  
3 include seasonal surges in applications and  
4 reconnections?

5 A. I had not thought about it in that regard.  
6 We saw it pretty much as a relatively short-term  
7 condition that was unforeseen. I did not think of  
8 it in terms of seasonality.

9 Q. As Com Ed interprets proposed language  
10 there, would it matter whether the staff agrees that  
11 this is an overload that was unanticipated or does  
12 it simply require the utility to report to the staff  
13 that we have a temporary anticipated overload  
14 condition?

15 A. Let me reread the rule again, because it's  
16 my understanding we needed to go and basically get  
17 the concurrence of staff before we could really  
18 operate under this provision.

19 Q. So the default, if there is a disagreement,  
20 is that unless you gain the concurrence of staff,  
21 this would not be an exception?

22 A. That is correct.

1 Q. One further question on that same section.  
2 Could you give me an example of what would  
3 constitute diligent action to correct on a temporary  
4 unforeseen or a temporary unanticipated overload  
5 situation?

6 A. You know, we may offer additional overtime  
7 to the personnel involved so that they could be more  
8 available to do more activations. It could be a  
9 matter of redirecting some employees from doing  
10 other work that was planned in lieu of, let's say,  
11 certain activations. It could be a situation where  
12 we bring in contract personnel. It really boils  
13 down to the circumstances of the event that's going  
14 to the particular date how we are going to respond  
15 to it.

16 Q. But it wouldn't require something more than  
17 simply allowing time to dissipate the condition?

18 A. Oh, without a doubt. Oh, without a doubt.  
19 We need to do something different in terms of  
20 resource application.

21 Q. Okay. I would like to move to a different  
22 provision now. I'm sorry. 280.50, which is on --

1       A.     This is Exhibit 3.1?

2       Q.     Yes, the same Exhibit 3.1.

3       A.     Which page number?

4       Q.     I'm going to tell you.  It's on Page 18 of  
5 67.

6       A.     Okay.  One of the objectives voiced by the  
7 witnesses for the Governmental and Consumer  
8 Intervenors is that it is desirable to make the  
9 Commission's rule having to do with customer rights  
10 and obligations in the application deposit context  
11 conveniently accessible to customers.

12                   Are you familiar with our proposals to  
13 that end?

14       A.     Yes.  I recall reading them along the way.

15       Q.     And one aspect of that is having the  
16 applicable rules together in a single location so  
17 that they are accessible to and easily comprehended  
18 by their customers or applicants or perspective  
19 customers.

20                   Do you agree that that is helpful to  
21 customers to have the rule in one place?

22       A.     I'm inclined to think it would be.

1 Q. Would you -- well, do you also agree with me  
2 that, for the most part, those very customers don't  
3 really read Com Ed's tariff books?

4 A. I don't know that.

5 Q. You don't know that?

6 A. I do not.

7 Q. Have you ever read Com Ed's tariff book?

8 A. Yes, I have.

9 Q. As a part of your job or as a customer?

10 A. I would say as both.

11 Q. All right. You comment in your testimony  
12 that there is some confusion about what rules apply,  
13 because there is a provision in Part 4-10 of the  
14 Commission rules that deals with bill content.

15 A. That is correct.

16 Q. Are you aware that that provision in 4-10  
17 dealing with bill content expresses or describes the  
18 provisions of that rule as being at least what is  
19 required on the bill?

20 A. Yes.

21 Q. So it's not meant to be comprehensive?

22 A. Perhaps.

1 Q. It was not meant to exclude the possibility  
2 of other requirements?

3 A. I think he's asking for an interpretation  
4 of --

5 Q. Well --

6 A. -- 4-10 that I'm just not prepared to give  
7 you.

8 Q. Assuming we give the phrase at least its  
9 common ordinary non-legal meaning, if I say this is  
10 at least, it does raise the possibility of something  
11 more.

12 A. I think that's agreeable.

13 Q. Conceivable?

14 A. I don't know the -- again, I'm not prepared  
15 to really talk about Part 4-10 in the context of  
16 280.

17 Q. But you make comments in your testimony.  
18 You made the comment in your testimony.

19 A. But I made a comment. I'm not a legal guy  
20 and there was this inconsistency that Part 280 was  
21 addressing some issues or some requirements that I,  
22 quite frankly, thought were addressed in 4-10. That



1 was the essence of my testimony.

2 Q. Well, would a clear statement in either 4-10  
3 or in Part 280 as to which set of rules has  
4 precedence clarify matters for Com Ed?

5 A. Clearer statements are always better.

6 Q. You also propose that in response to I think  
7 in modification of staff's draft that on a transfer  
8 of service any outstanding amounts be identified as  
9 to the last location that was billed as not  
10 necessarily the location at which the amount was  
11 incurred, am I correct?

12 A. Okay. I think I know what you are making  
13 reference to.

14 Q. Did I describe it accurately?

15 A. I think you did.

16 Q. Does Com Ed always in a partial payment  
17 situation credit the oldest amount outstanding?

18 A. No.

19 Q. No?

20 A. No. No. I'm aware of a recent change we  
21 made in terms of our payment-posting priority, and I  
22 can tell you that it's not always the oldest debt.

1 They seem to balance indices of payment offsets.

2 Q. 280.60, which is several pages later,

3 Page 22.

4 A. Okay.

5 Q. Does Com Ed object to accepting cash

6 payments?

7 A. No, we will take cash.

8 Q. Do you object to accepting money order

9 payments?

10 A. Absolutely not.

11 Q. Is it Com Ed's position that you could

12 refuse to accept cash?

13 A. No. I don't know of any situation where we

14 reject cash.

15 Q. Do you know when the Com Ed packet -- the

16 customer information packet describing payment

17 options is provided to new customers?

18 A. Are you asking me if --

19 Q. When is it provided to the customer?

20 A. I believe once their application is approved

21 and they're accepted as a customer, we send the

22 packet out to them. That includes terms and

1 conditions for service.

2 Q. Will you take a look at your suggested  
3 changes in that section. Well, I can ask the  
4 question narrowly.

5 What is Com Ed's objection to a  
6 statement that part -- I'm sorry -- Part 280 does  
7 not authorize late fees on amounts other than  
8 utility service charges?

9 A. That's getting into another one of these  
10 legal items, I believe, because the way I understand  
11 Part 280, it's all about regulated services.

12 JUDGE HILLIARD: Could you go closer to the mic.

13 THE WITNESS: I'm sorry. It's my understanding  
14 that Part 280 was all about governing and applying  
15 to regulated services and so to the extent that you  
16 are talking about applying late charges to a  
17 non-utility service, which I just didn't think Part  
18 280 had applicability in that situation, because if  
19 it's a known --

20 Q. If I'm extracting what you intend to convey,  
21 Com Ed's objection is on a Part 280 prohibition on  
22 late fees on non-utility charges, because you think

1 you may apply late fees under some authority other  
2 than Part 280?

3 A. That's correct as it relates to non-utility  
4 charges.

5 Q. Would Com Ed then be uncomfortable in the  
6 provision in Part 280 that says Part 280 does not  
7 authorize late charges on non-utility -- I mean,  
8 late fees on non-utility charges?

9 A. From a legal standpoint, I'm not sure why  
10 that's necessary, but I don't know that we have an  
11 objection to that. I don't believe so.

12 Q. Okay. That takes care of the concerns that  
13 you were voicing in your testimony.

14 A. Yes.

15 Q. Moving on -- and I don't think you need to  
16 flip through this one. If we need to do it, we can.  
17 Part 280.90, estimated bills, having to do with the  
18 customer beginning and ending service, does Com Ed  
19 have any objection to letting customers fill out a  
20 postcard and sending meter readings to begin or end  
21 service?

22 A. Yes, because right now today we just don't

1 have the capability to effectively process that  
2 information.

3                   Are you asking are we -- are you asking  
4 if that's something we would in effect be willing to  
5 change or willing to adopt? Is that your question?

6       Q.     Well, I'm sure you recall from GCI's  
7 testimony that we don't think the customer should  
8 have to begin and end its service, for lack of a  
9 better phrase, "on faith."

10                  I just moved into an apartment. It's  
11 been empty for four months. I have no idea what's  
12 been going on there. You are sending me a bill  
13 saying that we have a pretty good idea where to  
14 start.

15                  I would much rather take the time to  
16 send you a card that says what it said on the day I  
17 came in. Similarly, on the other end, is there any  
18 reason you can't do that?

19       A.     You know, we don't believe that's the most  
20 cost-effective approach for handling that situation.  
21 Customers are kind of -- I mean, they're moving to  
22 and from one premises to another, and that's kind of

1 haphazard throughout our service territory, and  
2 there's no efficient way to get out there and  
3 collect actual readings and then process those  
4 readings so that we have an actual -- we have a bill  
5 that's based upon actual readings. And in that  
6 situation it's just not very cost-effective or  
7 operationally efficient to try to capture those  
8 readings in situations where consumers are funding  
9 their accounts.

10 Q. If I'm a customer willing to relieve you of  
11 that burden, why won't you let me?

12 A. Right now today I don't have the  
13 capabilities of accepting that information from you.

14 Q. Some years ago when I had more than one big  
15 dog, I used to do it regularly, send in my meter  
16 reading. Why is this process different?

17 A. I can't speak to what our system  
18 capabilities were back then, but I can tell you  
19 today if you have sent that information in and you  
20 don't send it in within an immediate window, that  
21 reading will get rejected.

22 Q. So, well, let's look at the other side of

1 that situation for a moment. A customer I just  
2 described just moved into a new apartment that's  
3 been vacant for some time. I get my first bill. I  
4 think it's outrageously large. How do I convince  
5 you that it is?

6 A. You call us. You call us. You point it out  
7 to us. We will review your bill and oftentimes  
8 we'll be in touch with you, but I have to trust you  
9 that you made the right guess and that mine is  
10 wrong. I think there has to be trust between both  
11 parties in that transaction.

12 Q. I'm paying you for a service on a unit  
13 basis, and your answer is I need to trust you on how  
14 many units I've got?

15 A. I mean, to the extent that you are providing  
16 me with a reading, you're asking me that I accept  
17 that reading. There has to be trust on my side for  
18 that. That's what I was making notice to.

19 Q. This isn't -- if this is like trust on your  
20 side, you can remedy that by taking an actual  
21 reading, correct?

22 A. Not necessarily, because, again, we are not

1 set up, quite frankly, to go out and read meters  
2 from customers' accounts.

3 Q. It's an administrative cost decision that  
4 you make not to go out?

5 A. That's fair.

6 Q. If I had the same lack of trust, what can I  
7 do to relieve my concerns?

8 A. You call us and you point out to us that you  
9 don't believe you are correctly billed and we'll  
10 take a look at it. And if adjustments are  
11 appropriate, based upon your usage and when you  
12 became associated with that premise, we make an  
13 adjustment on to your bill.

14 Q. And on the back end, do we have the same  
15 situation?

16 A. On the back end?

17 Q. When I'm leaving the apartment, I'm leaving  
18 terminating service as of the 20th. I send you the  
19 reading on the 20th.

20 A. In that instance, it's a little cleaner,  
21 because we have historical usage, and you are  
22 generally telling us when you are vacating the



1 premises. So it's tends to be a little cleaner and  
2 we tend not to --

3 Q. A little cleaner?

4 A. Cleaner in the sense that you give us a date  
5 that terminates your status at that premises. We  
6 know your past usage. We have a pretty good  
7 historical record from that. We use that historical  
8 usage to basically prorate your bill. In those  
9 situations, we don't have nearly as many disputes as  
10 we tend to have when that first bill is estimated.

11 Q. Because you make a better estimate at the  
12 end than you can at the beginning?

13 A. We have the history, yes, we do.

14 Q. You see that that could underline why the  
15 customer moving in would want to have that objective  
16 starting point?

17 A. I could see where actually in some instances  
18 people have an estimate, yes.

19 Q. Moving along to 280.190 which is the  
20 treatment of a legal task --

21 A. Which Section 280?

22 Q. 280.190. And I'll try to get you a page

1 number for that.

2 MR. PABIAN: 55.

3 MR. REDDICK: Okay. Thank you.

4 MR. PABIAN: Starting on 55.

5 THE WITNESS: Okay.

6 MR. REDDICK: Q. My question to you relates to  
7 the very last subsection of that provision, and  
8 there is a suggested addition that reads, "Most all  
9 related expenses incurred by the utility." Do you  
10 see that?

11 A. No, I do not.

12 MR. PABIAN: That's on 57 -- there you go -- top  
13 of 57.

14 THE WITNESS: And your question is?

15 MR. REDDICK: Q. Have you had a chance to look  
16 at that?

17 A. Yes.

18 Q. My question then is whether you will  
19 acknowledge that it's possible that a customer of  
20 record benefitted from a tap without knowing that  
21 there was a tap?

22 A. Is that possible?

1 Q. Yes.

2 A. Perhaps. Perhaps, it's possible.

3 Q. And there that situation -- let's take the  
4 customer that I described before. I just moved into  
5 the apartment. It's been empty for some time. I  
6 have no history. You have no history of my usage  
7 there. Is there any way I would know whether or not  
8 my bill is correct?

9 A. I can't respond to that. I don't know what  
10 type of due diligence you would do when you  
11 purchased the property. It's hard for me to respond  
12 to what happens in one of those situations.

13 Q. Okay. Well, let's not investigate the  
14 nuances. Under your proposed language if there were  
15 a customer who was unaware of but through no action  
16 of his own, benefitted from an illegal tap by some  
17 other person, you would require that customer of  
18 record to pay your expenses for repair of the tap?

19 A. No. If they can demonstrate that they were  
20 in no way at all responsible or accountable for that  
21 tap.

22 Q. And what would it take to do that?

1       A.     Depends on the circumstances, depends on how  
2 the tap was affected.

3       Q.     Well, assuming that the customer of record  
4 does know?

5       A.     It was really obvious -- I mean, did they do  
6 some damage? Didn't restore the grounds? I don't  
7 know.

8       Q.     Well, for this?

9       A.     Some tampering is more evident than others.

10      Q.     Yes. In an apartment building where meters  
11 are not usually located in the apartment, you don't  
12 think it would be unusual that I might never see my  
13 meter?

14      A.     Are you asking me to speak to how frequently  
15 our customers see their meters? I can't respond to  
16 that.

17      Q.     I'm asking you to comment on the  
18 configuration of Com Ed's metering in apartment  
19 buildings.

20      A.     In some instances they're located in a meter  
21 room and in other instances they could be located  
22 outside. I mean, it depends. Oftentimes in certain

1 parts of our territory, almost all the meters are  
2 outside. In other parts of our territory, they tend  
3 to be inside. There's no necessarily rhyme or  
4 reason as to why meters are inside or outside, when  
5 a customer may have really access to them or not.

6 Q. Precisely.

7 JUDGE HILLIARD: Proceed.

8 MR. REDDICK: Thank you.

9 MR. REDDICK: Q. If you go back to the language  
10 of the rule --

11 A. Okay.

12 Q. -- your earlier answer indicated that in  
13 situations where the customer had no knowledge, had  
14 no participation in the tap, it would not be Com  
15 Ed's intention to require that the customer of  
16 record pay for your expenses incurred to repair the  
17 tampering?

18 A. To the extent that a customer can clearly  
19 demonstrate that that was the case.

20 Q. And how would a customer -- what would be  
21 required for a customer to clearly demonstrate that  
22 that is the case?

1       A.     Perhaps it occurred before they became  
2 associated with the property.

3       Q.     How would the customer know that?

4       A.     And how would they know that?   How would the  
5 customer know?

6       JUDGE HILLIARD:   I think we can conceive that  
7 it's tough to prove a negative.   In many instances  
8 the customer would not be able to demonstrate to  
9 your satisfaction that they had nothing to do with  
10 the tap; is that correct?

11      THE WITNESS:   I'm sorry.   I was thinking.   What  
12 was your --

13      JUDGE HILLIARD:   Never mind.   Just answer his  
14 question.

15      THE WITNESS:   How would the customer know?   I'm  
16 not sure how the customer would know that the tap  
17 occurred.   I'm not so sure how the customer would  
18 know precisely when the tap occurred, but I will  
19 submit to you that it's the customer's  
20 responsibility to know if this tampering has  
21 occurred and affecting their bill.   From the utility  
22 that's showing their consumption, they would know

1 how much -- roughly how much power they're  
2 consuming. They would look at the bill and see how  
3 much they can bill for. I would think just through  
4 an understanding of their consumption and they  
5 reviewed the bill and would know that something is  
6 awry.

7 MR. REDDICK: Q. And a new customer coming into  
8 an apartment with an existing tap or tampering  
9 situation in place would have only the bills  
10 incurred under that situation?

11 A. If it's a situation where a third party is  
12 tampering into the customer's service, is that your  
13 situation?

14 Q. The situation is that a customer of record  
15 benefited from a tap without knowing that there was  
16 a tap.

17 A. Okay. Again, I -- again, I think the onest  
18 falls on the customer to know that what they're  
19 getting billed for represents what they consumed.

20 Q. How does the customer do that?

21 A. How would they know that?

22 Q. How would they know that?

1       A.     They would know based on their past  
2 consumption.

3       Q.     All my past consumption has been with the  
4 tap.

5       MR. PABIAN:   Wait.   Wait.

6       THE WITNESS:   No.   In your example, the  
7 assumption is you recently moved to that premise.

8       MR. REDDICK:   Yes.

9       MR. PABIAN:   Just for clarification, are we  
10 talking about a situation, where the customer you  
11 are concerned about, the customer who benefitted  
12 from the tap, okay, isn't aware of the tap, right?

13      MR. REDDICK:   Correct.

14      MR. PABIAN:   Okay.   I mean, can we assume for a  
15 minute that if the customer service is being  
16 provided through a tap, they aren't getting an  
17 electric bill?   That's the nature of the tap.   The  
18 nature of the tap is you're getting your service by  
19 tying into somebody else's wiring.

20      MR. REDDICK:   Well --

21      MR. PABIAN:   Isn't that right?

22      MR. REDDICK:   I appreciate the clarification,



1 but you are not under oath.

2 MR. PABIAN: No. I'm just asking you for -- it

3 seems to me that --

4 MR. REDDICK: Let me ask a different question.

5 MR. PABIAN: Okay.

6 MR. REDDICK: Q. Is it Com Ed's intention with

7 this language suggestion that you look upon the

8 as-guilty party?

9 A. We look upon the the party that's benefitted

10 from the service.

11 Q. And you assume that person was aware of the

12 tap?

13 A. Not necessarily aware but certainly

14 benefitted from it. I can't speak to whether the

15 customer knew or didn't know.

16 Q. And to you, it's irrelevant?

17 A. I am going to say no. No, it's not

18 irrelevant.

19 Q. But the rule requires that that person pay?

20 A. That is correct. And, again, if the

21 customer can bring forward some --

22 MR. PABIAN: I would object. That's a

1 mischaracterization. The rule doesn't require the  
2 customer pay. The rule states the utility may  
3 collect from the customer. The rule doesn't require  
4 that the customer pay.

5 MR. REDDICK: Q. So we are obligated unless  
6 Com Ed decides not to collect?

7 A. That is correct.

8 Q. Moving along to 220, the utility complaint  
9 process --

10 MR. PABIAN: Page 62.

11 MR. REDDICK: Q. I'm not going to refer to a  
12 specific piece of language in the rule. It's more  
13 of a process question.

14 Are you aware or have you heard in your  
15 meetings with your customers -- your meetings with  
16 the consumer advocates -- I forget the correct  
17 term -- customer advocates that a customer sometimes  
18 calls a utility to have a discussion with a CSR,  
19 call back the next day or a week later, whatever the  
20 process, "I'll get the information and call you  
21 back," and their complaint is nobody has a record.  
22 I have to start all over again. Have you ever heard

1 that?

2 A. No, I can honestly tell you I have not. I  
3 have not heard that one.

4 Q. Do you know whether Com Ed's CSRs  
5 have procedures to handle situations like that?

6 A. Yes. Normally when a customer calls, the  
7 exchange between the customer and the CSR is  
8 captured. It's captured in a couple of ways.  
9 Oftentimes the calls are recorded and the request  
10 that the CSR received from the customer is generally  
11 documented in our customer information system.

12 Q. Well, that I had in mind in the previous  
13 question I should have made more clear. Do your CSRs  
14 have procedures to handle situations where a  
15 customer said, "I spoke with somebody yesterday.  
16 Here's what we talked about. Why don't you have  
17 that?"

18 A. They're actually escalated when the  
19 customer's calling back and/or has to call  
20 repeatedly and the service request has not been  
21 appropriately resolved.

22 Q. I'm sorry. I'm having trouble hearing you.

1       A.     There are escalation procedures that our CSR  
2 will utilize in instances when a customer has called  
3 repeatedly or more than once and their service  
4 request has not been appropriately resolved.

5       Q.     No.    I'm speaking of a specific situation  
6 where a CSR is called by a customer who informs the  
7 CSR that I spoke with someone yesterday and here's  
8 what we agreed to or here's what I was instructed to  
9 do.   I have done it.   Now here's the information and  
10 there isn't a record.   Do you have procedures for  
11 dealing with that?

12      A.     Yes.   As I indicated previously, normally  
13 when a customer calls and they make a request, that  
14 request is captured and a notation's made on the  
15 customer's account.   So when you call back a second  
16 time and you have got a different CSR, that new CSR  
17 will refer to the notes that were left by the  
18 previous CSR and continue the dialogue with the  
19 customer.

20      Q.     Are you saying that it never happens that  
21 there is a failure to capture the conversation or  
22 contact?

1       A.     I know that our procedures call for our CSRs  
2 capturing the request. I'm not going to sit here  
3 and tell you that there's never been any discrepancy  
4 between what was captured and what was intended to  
5 be captured by the customer.

6       Q.     And you have no procedures for CSRs to  
7 follow if a customer says I spoke with someone. You  
8 have no record?

9       A.     I mean, if the dispute is such, we can  
10 always pull -- we can generally pull the telephone  
11 conversation that occurred between the customer and  
12 the CSR, because we record those conversations  
13 between our customers and our CSRs.

14      Q.     And if a customer has a record of the time  
15 and date of the call, does Com Ed make that attempt  
16 at the customer's request?

17      A.     To make the call available to the customer?  
18 Is that your --

19      Q.     To retrieve the contact so that the  
20 information is available.

21      A.     Oh, yes. We do that on occasion.

22      Q.     I'm sorry?

1       A.     Yes, we do pull calls and listen to them and  
2 use that recording to substantiate the customer's  
3 claim.

4       Q.     Did I miss hearing? I thought that you said  
5 "on occasion." Did I miss hearing that?

6       A.     It's not -- it's not in every instance when  
7 we need to pull the call to establish that there was  
8 some previous contact, because oftentimes we could  
9 just go back and look at the notations on the  
10 account and establish what occurred between the  
11 customer and the previous CSR. So you don't always  
12 have to go back and listen to a recorded call.

13                       We understand where we left off on the  
14 customer's request, but in some instances if there's  
15 some lack of clarity or some dispute around exactly  
16 what was communicated, yes, we will pull the call in  
17 those instances.

18       Q.     So if I'm a customer, I said I talked with a  
19 CSR 2:15 Tuesday afternoon last week, and here's  
20 what happened, and the person I talked to today said  
21 they have no record of that, I would like you to  
22 pull the tape and listen to my conversation, will

1 you do that?

2 A. Generally, yes.

3 Q. What are the situations where that would not  
4 be the case?

5 A. There are, you know, notations on the  
6 account, some other evidence that would substantiate  
7 the customer or the CSR. But lacking such other  
8 evidence, we would turn to the evidence that we have  
9 and then that would be the recorded phone call.

10 So if there's nothing else that we have  
11 that would substantiate either the customer's  
12 contention or CSR's contention, we are going to pull  
13 the call.

14 Q. Thank you.

15 MR. REDDICK: I have no further questions, your  
16 Honor.

17 JUDGE HILLIARD: Do you have questions?

18 MS. LUSSON: Yes, I do. I promise to be quick.

19 JUDGE HILLIARD: All right.

20 CROSS EXAMINATION

21 BY

22 MS. LUSSON:

1 Q. Good afternoon, Mr. Walls. My name is Karen  
2 Lusson. I am with the Attorney General's Office.

3 First, I want to turn your attention to  
4 your discussion at Page 12 of --

5 MR. PABIAN: Page 12.

6 MS. LUSSON: Q -- the surrebuttal. All my  
7 questions will deal with your surrebuttal testimony.

8 Your discussion of Section 280.30,  
9 regarding the timing of service activations -- and I  
10 just want to clarify. Is the company's objection to  
11 a four-calendar day requirement with respect to  
12 staff's rule and a three-calendar day requirement  
13 with respect to the GCI rule related to not wanting  
14 to do activations on weekends or is it simply those  
15 weekends that happen to coincide with the holidays?

16 A. Generally those weekends that coincide with  
17 the holidays. Those are the ones that are  
18 problematic.

19 Q. And sitting here today, do you know how many  
20 weekends per year that typically is, that is, where  
21 a holiday falls on a Friday or a Monday?

22 A. I mean, without a calendar, it's hard for me



1 to tell you off the top of my head. I believe  
2 there's about four or five.

3 Q. And then with respect to the company's  
4 opposition to AARP -- I should say A-A-R-P's  
5 testimony -- that seeks a prohibition on weekend  
6 disconnections, my understanding Com Ed objects to  
7 that.

8 A. Yes.

9 Q. Now does the company currently disconnect  
10 customers on weekends?

11 A. Not generally.

12 Q. Is it the company's ambition to begin that  
13 practice of disconnections on weekends?

14 A. I would say that in some situations we  
15 believe it is appropriate to perform the service of  
16 suspensions on weekends.

17 Q. And does the company believe that it is  
18 appropriate to perform a service activation on the  
19 weekends as well?

20 A. Yes, particularly in those instances where  
21 we are performing service disconnections.

22 Q. So is there a guide that the company follows

1 as to when it's appropriate to activate a customer  
2 on the weekend?

3 A. We don't perform service suspensions unless  
4 there's resources available to perform the service  
5 restoration as it relates to weekends.

6 Q. And how about would the same policy follow  
7 in terms of disconnections, if there are resources  
8 available, the company does engage in those or would  
9 like to engage in them?

10 A. I'm sorry?

11 Q. Does the company follow that same policy  
12 that if there are resources available -- employees  
13 available they will do disconnections or is there  
14 another policy that's followed?

15 A. No, we generally don't do disconnections on  
16 weekends if that's your question.

17 Q. But --

18 A. And in very rare, limited circumstances do  
19 we conform our services to perform disconnections on  
20 the weekends.

21 Q. What are those circumstances? I'm trying to  
22 understand the opposition to the AARP request.

1       A.     For instance, we have a fair amount of  
2 discussions internally as to when is the best time  
3 to suspend service. Do you do it during the week or  
4 is it best to do it on Saturday.

5       Q.     Any other criteria? Any other criteria that  
6 the company follows?

7       A.     It's situational.

8       Q.     But essentially the company just wants to  
9 have flexibility on disconnections but would prefer  
10 not to have additional resources required for  
11 service activations on weekends. Is that the  
12 company's position?

13      A.     Not as I understand it, because, again, we  
14 tend to have resources available to do restorations  
15 when we are performing service suspensions.

16      Q.     And to the extent of any changes in the rule  
17 approved in this proceeding creating a need for  
18 additional Com Ed employees related to shortening  
19 the service activation period, would you agree that  
20 the company is able to recover those additional  
21 expenses in its next rate case?

22      A.     I understand that's generally true.

1 Q. Relating to Part 280.40, which is the  
2 deposit requirement, do you know offhand if you can  
3 give us an approximate date when the company began  
4 utilizing a credit scoring program for applicants in  
5 the evaluation of whether or not to require a  
6 deposit?

7 A. I'm not sure when that practice occurred.  
8 Now did you say we used "credit scoring?" Are you  
9 talking about scoring from the credit bureaus or are  
10 you talking about, you know, our accumulation of  
11 payment history for a given customer?

12 Q. I'm talking about when the company utilizes  
13 a credit check system for purposes of determining  
14 whether a deposit is required.

15 A. I'm not sure when the company put in its  
16 current capabilities around credit scoring for  
17 depositing. I'm just not sure. I could speculate,  
18 but I'm not sure.

19 Q. At the end of your surrebuttal testimony,  
20 you present several figures related to Com Ed's  
21 estimates of costs that it would need to incur  
22 related to -- a one-time cost related to an

1 alternative system and annual process costs. I  
2 think that appears on Pages 41 and 42, actually 43  
3 as well.

4 A. Uh-huh.

5 Q. Is any of those figures -- included in any  
6 of those figures is the company's estimate for  
7 employees that it might need to adjust to a new  
8 service activation requirement? In other words,  
9 have you quantified specifically the dollar effect  
10 of changing the service activation requirements from  
11 the current requirements made?

12 A. I don't believe I cited any such references  
13 in my testimony, and I'm not aware of any type of  
14 cost estimation and enhancements to change their  
15 capabilities.

16 Q. Relating to -- turning your attention, if  
17 you would, to Page 6 of your surrebuttal testimony,  
18 this is related to the definition of transfer of  
19 service.

20 A. Page 6.

21 Q. Yes. Now, as I understand it, the company  
22 wants the utility to be able to deny the transfer of

1 service because of the nonpayment of charges more  
2 than two days past the due date; is that correct?

3 A. That's correct.

4 Q. Currently if a person is three days late on  
5 paying their monthly bill, the company does not send  
6 out a letter or notice to the customer that  
7 disconnection is imminent, does it?

8 A. No, it does not.

9 Q. And, in fact, the customer is not in the  
10 disconnection cue, so to speak, at Com Ed if the  
11 customer is three or more days -- three to 29 days  
12 late, is it?

13 A. That sounds about right.

14 Q. Is it correct that that unpaid balance -- at  
15 least let's say if a customer is late five days or  
16 has gone -- you sent them a bill in March and  
17 there's been no payment, and let's assume this is a  
18 customer that's in good standing, and then the next  
19 bill arrives in April, is it correct that typically  
20 Com Ed just rolls over that unpaid balance into the  
21 next month's bill?

22 A. We are going to roll over the next month's

1 balance, but that's not to say that there's no other  
2 activity that we are going to direct towards that  
3 account from a credit collection standpoint.

4 Q. And when does the company typically send out  
5 a notice saying that disconnection is imminent?

6 A. It depends. It depends on the customer, and  
7 the risk assessment associated with that customer.  
8 Some customers we tend to notice more quickly than  
9 others. You know, again, it's driven by a risk  
10 profile which is determined based upon their payment  
11 history with us.

12 Q. And would you say the -- earlier today  
13 Ms. Alexander was asked a question about what the  
14 practice is of the so-called "majority of the  
15 customers." Would you say the majority of the  
16 customers do not get disconnection notices?

17 A. I tend to agree with that.

18 Q. Is it correct that Com Ed does not file a  
19 separate tariff for any additional charges it might  
20 assess for a customer's use of electronic or credit  
21 card payments?

22 A. I'm sorry. I didn't understand your

1 question.

2 Q. Does Com Ed, if you know, file a separate  
3 tariff for any additional charges it might assess  
4 for electronic and credit card payments?

5 A. I'm not aware of any additional tariffs  
6 being filed in connection with credit card charges.

7 Q. Would you agree that the faster the company  
8 receives amounts owed the less the need -- the less  
9 the need the company has for positive cash working  
10 capital requirements in the next rate case?

11 A. I mean, generally speaking, there's more  
12 value in getting your money today than it is  
13 tomorrow, and that would be true for Com Ed. How  
14 that plays into ratemaking, there's a lot of moving  
15 pieces. I'm not sure what the impact would be.

16 Q. If you could turn your attention to Page 33  
17 of your surrebuttal testimony, there you are  
18 discussing the issue of whether or not automatic  
19 disconnection should occur in an AMI environment.  
20 You list a figure there at Line 736 of \$100 million  
21 dollars in terms of affecting Com Ed's business case  
22 for AMI deployment.



1                   Did you perform that specific analysis  
2 that directed that \$100 million dollar figure?

3       A.     No, I did not.   Staff performed it under my  
4 direction.

5       Q.     Okay.   Do you know what assumptions were  
6 used to derive that specific number?

7       A.     Well, we were looking at the additional cost  
8 of whether it would be associated with doing  
9 disconnections if we had to send field personnel to  
10 the premises at the time when we activated the  
11 service to perform the service.   So that was really  
12 one of the more significant components, and the  
13 other piece basically relates to the lost  
14 opportunity as it relates to minimizing or reducing  
15 the amount of bad debt expense that one would expect  
16 to have in an AMI operational scheme, because in the  
17 AMI operating mode customer balances wouldn't be  
18 allowed to get as high as they tend to get today  
19 because of the fact that we tend to have to  
20 prioritize which account we are going to go over,  
21 but under AMI we are going to be in a position,  
22 quite frankly, where we are going to be able to

1 minimize customers having these larger balances.

2 And by doing so, that will reduce the amount of bad  
3 debt exposure that we have.

4                   So when you take those two things  
5 together, that's how we arrive at the \$100 million  
6 estimate.

7       Q.     So it's uncollectibles that you see avoided?

8       A.     That is correct.

9       Q.     And sitting here today, do you know what the  
10 positive -- what the net number is in terms of costs  
11 and benefits of AMI is overall?

12      A.     No, I can't speak to that today.

13      Q.     So do you know if, in fact, that \$100  
14 million dollar figure creates a business case where  
15 the benefits are now outweighed by costs if that  
16 number was lost?

17      A.     If we had to make a field visit, it's  
18 conceivable that it would have a very adverse impact  
19 on the business case for AMI.

20      Q.     But you don't know whether or not that's the  
21 net -- the overall net benefit or cost of AMI?

22      A.     No. I'm not prepared to answer that.

1 Q. With regard to your testimony at Page 36  
2 regarding medical certificates, here you discuss  
3 your objections to staff's additional proposal.  
4 Beginning at Line 791, you discuss harm by  
5 increasing receivables at risk and ultimately bad  
6 debt.

7 Do you see that there?

8 A. Yes, I do.

9 Q. Have you done any specific analysis to  
10 determine what percentage of uncollectibles are  
11 attributable to medical certificated customers?

12 A. No. I have no answer.

13 Q. And, finally, going to Page 41, again, where  
14 you list the system costs that Com Ed estimates will  
15 be incurred to satisfy certain rule changes, at Line  
16 914 you use the word "preliminary research." Did  
17 you conduct that preliminary research?

18 A. I didn't personally. I directed staff.

19 Q. And do you know if your staff submitted bids  
20 to different IT providers for that?

21 A. We did not.

22 Q. Would this work be performed in-house or

1 would you have to go outside of the company?

2 A. It depends on the amount of work that's in  
3 front of our IT group as to whether or not they'll  
4 complement either the internal resources with  
5 external resources, like contractors.

6 Q. And so, as part of these dollar figures, so  
7 it's possible that outside contractors would be a  
8 part of these numbers?

9 A. It's possible. This is very high-level as  
10 well and estimates what the costs might be for  
11 changes that I mentioned in our testimony. It's  
12 very high level.

13 Q. So there was no, for example, RFPs issued to  
14 contractors?

15 A. You are correct.

16 Q. To the extent there were any one-time costs,  
17 would you agree that -- assuming those costs could  
18 be reflected in a test year for a rate case, would  
19 you agree that those one-time costs would be likely  
20 amortized by the company?

21 A. Would I agree with that?

22 Q. Yes.

1       A.     Are you asking if I agree if that should be  
2 the treatment that those costs were given or should  
3 be treated in a different manner?

4       Q.     If you have an opinion or it's your  
5 understanding that the Commission typically amortize  
6 one-time costs if there's a one-time cost submitted  
7 in a test year rate case.

8       A.     I just don't have that experience to say how  
9 one-time charges tend to get handled for ratemaking  
10 purposes. I can tell you that in this particular  
11 instance we were hoping that the Commission would  
12 allow us to specifically cover these costs.

13      Q.     And when Com Ed makes investments on its  
14 books, does it typically amortize those costs  
15 whether it's by ratemaking if it's a capital  
16 investment?

17      A.     Yes. There's certain IT projects that are  
18 capitalized, and I would suspect that given the  
19 magnitude of the changes here, it would be  
20 recognized as a capital project by Com Ed despite  
21 what the ratemaking cost recovery mechanism might  
22 be.

1 Q. And, finally, at Page 43, Line 955, you  
2 state, "I have been informed that Com Ed would need  
3 approximately 18 to 24 months after the rule to  
4 become final to implement high-speed system  
5 changes."

6 In making that statement, again, was  
7 that a high-level estimate or did you contact  
8 specific vendors to say how long this is taking?

9 A. It was a high-level estimate on our part.  
10 We did not consult with external vendors or parties  
11 to that.

12 Q. Thank you, Mr. Walls.

13 A. Thank you.

14 JUDGE HILLIARD: Are you all done?

15 MS. LUSSON: Yes.

16 JUDGE HILLIARD: Redirect?

17 MR. PABIAN: Just may I have a minute here.

18 (A brief pause.)

19 Just a couple of questions.

20 JUDGE HILLIARD: His mic is not on.

21 THE WITNESS: I think it's on now.

22 MR. PABIAN: There we go.

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REDIRECT EXAMINATION

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BY

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MR. PABIAN:

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Q. Mr. Walls, in response to a question that

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Mr. Reddick asked you about an applicant who doesn't

7

have a phone, would Com Ed accept -- if the person

8

supplied the phone number of a friend and would they

9

be given a message, would that be acceptable?

10

A. Absolutely.

11

Q. And then just in response to Ms. Lusson's --

12

I think it was her last question about the 18 to 24

13

month estimate. Is that based -- can you tell us

14

what that estimate was based on?

15

A. Well, it's based upon my past experience

16

working with regulatory projects such as use of

17

POR (sic) or the current initiatives that are in

18

front of us.

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MR. PABIAN: That's all.

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JUDGE HILLIARD: Ms. Lusson.

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RECROSS EXAMINATION

BY

MS. LUSSON:

Q. Is it your testimony that all of the changes or any of the changes that might be approved in this rule are the same as what was needed for use in the POR (sic)?

A. No. They're not identical. They are not the same, but the level of effort we believe, based upon our understanding of the impact of the rule changes that are at least in the draft, are comparable, but, no, they are not the same.

JUDGE HILLIARD: You are done?

MS. LUSSON: Yes.

JUDGE HILLIARD: Redirect?

MR. PABIAN: No.

JUDGE HILLIARD: All right. We are through for the day? Okay. Till we meet again.



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MR. FOSCO: We meet 10 a.m., on June 7th?

JUDGE HILLIARD: Yes.

(Whereupon, the above  
matter was adjourned,  
to be continued to  
June 7, 2011 at  
10 o'clock a.m.)